

Corrected as approved on April 6, 2017

**Fountain Hills Community Association
Board of Directors Meeting
February 2, 2017**

The Board of Directors of Fountain Hills Community Association held a Board of Directors Meeting at the Germantown Government Center on Thursday, February 2, 2017 at 7:30 p.m.

Board Members Present:

Harry Matchett, President
Sherry Lee, Vice President
Hari Donthi, Treasurer
Frank Walsh, Secretary (Arr. 7:40 p.m.)
Robert Love, Director
Joann Windsor, Director

Also Present:

Julie Hoffmann, Community Manager
Ruth Ann Allen, Recording Secretary

Board Member Absent:

Tom Brennan, Director, Resigned via e-mail

A. CALL TO ORDER

The February Board of Directors Meeting was called to order by Harry Matchett at 7:30 p.m.

B. HOMEOWNERS FORUM

1. Joann Windsor noted that the County repaired the sidewalk at the entrance to the Fountain Hills single family homes and this work was done well. However, two (2) other sidewalk repairs were not done as well, although the sidewalks are no longer uneven.
2. Robert Love noted that he had taken photos of all the tot lots in the community and reported that all the tot lots are in need of attention. Mr. Love also noted that the cluster mailboxes are filthy and project an unsightly curb appearance.
3. Sherry Lee noted that a WSSC cap is missing on Lake Geneva Way in front of the fountain. Management notified WSSC of the missing cap, but it hasn't yet been replaced. Management noted that Brighton Dam suggested that if the asphalt in that area is repaired, it will prevent the cap from coming off in the future.
4. Frank Walsh noted that he objected to how the vote was taken for removal of the legal retainer at the January Board Meeting. Mr. Walsh noted that 1) it was not on the agenda, 2) it was during adjournment, 3) improperly voted on as there was no discussion, and 4) some Board members did not know what they were voting on
It was noted that the attorney has not reviewed FHCA's documents as is specified in the retainer. Management noted that she had contacted the legal firm regarding this issues, but

the attorney who usually handles legal matters for FHCA was on maternity leave and Management never heard back from the attorney covering her cases.

Mr. Walsh noted that the vote could have been held off for another month for more discussion or payment could have been withheld for not performing services of the retainer.

It was discussed whether removal of the retainer had any bearing on the working relationship with the legal firm. Management stated that a certified letter was sent to the attorney notifying them of the vote to remove the retainer, but there was nothing in the letter that referred to removing the legal firm as the Association's legal counsel. The original contract with the attorney was signed in the summer of 2014. It was not made clear if they are still the FHCA's attorney or not.

C. MINTUES

1. January 5, 2017 Board of Directors Meeting Minutes

MOTION: (Robert Love/Frank Walsh) Amend the January 5, 2017 Board of Directors Meeting Minutes as corrected by Frank Walsh.

Vote: Motion Failed – 3 ayes/3 nays (Lee, Donthi, Matchett)/0 abstentions

Some Board members objected to the removal of the sentence under Item N as suggested by Mr. Walsh.

MOTION: (Hari Donthi/Harry Matchett) Accept the edits by Frank Walsh, except leave in the sentence under N.

Vote: Motion Passed – 4 ayes/2 nays (Love, Walsh)/0 abstentions

Frank Walsh inquired why Brighton Dam was not at the Board meeting, as the January minutes state that they were to be in attendance. Harry Matchett noted that, after the January meeting, Harry Matchett decided that Brighton Dam did not need to come, as none of the items on the agenda involved Brighton Dam. Mr. Walsh stated that the Board should be notified if a guest is not coming to the Board meeting.

D. MANAGEMENT REPORT

1. Pool Management/Fountain Maintenance Contract

Management provided the Board with a comparison chart for fountain maintenance and pool management bids from Community Pools, High Sierra Pools, Continental Pools, and RSV Pools. High Sierra Pools did not provide a proposal from for fountain maintenance as requested, even though High Sierra does provide fountain maintenance.

The Board noted that the RSV Pools bid for fountain maintenance was very high compared to the other contractors; however, it was noted that RSV Pools submitted a price based on previous experience with the fountains. However, RSV Pools stated a willingness to negotiate the price to be competitive with other companies.

Frank Walsh reminded the Board of RSV Pools' criminal history of hiring unauthorized workers and illegally draining of the pool into a storm water drain when they were last employed by FHCA. Mr. Walsh also pointed out these were the main reasons the Board fired RSV Pools the last time.

MOTION: (Robert Love) Have Management negotiate and execute a deal with RSV Pools for pool management and fountain maintenance for two (2) times a week.

The Board discussed whether fountain maintenance should be two times (2x) or one time (1x) per week.

Robert Love withdrew his motion.

MOTION: (Harry Matchett/Sherry Lee) Have Management reach out to RSV Pools and accept the pool management contract as specified for a cost of \$60,576.00; with the addition of fountain maintenance one time (1x) per week for \$3,600.00 which is a competitive bid.

Vote: Motion Passed – 4 ayes/2 nays (Love, Walsh)/0 abstentions

2. Fountain Repairs

Frank Walsh inquired about the existing proposal from Community Pools to repair the fountains. It was noted that the fountain maintenance contractor hired for 2017 will provide a proposal for any repairs to the fountains and thus the Board should wait for this proposal before making any decision.

3. Fountain Walls/Knoble Issue

Management and Sherry Lee reviewed with Board members the issues involving Knoble's repair of the fountain from rocks that were pulled from a stone wall. The repair to the fountain was done with mortar instead of dry stacked. Knoble originally agreed to restore the fountain to its original state, but refused once they heard that a car had hit the fountain, which was not the case. Frank Walsh also noted that Knoble did a mortar-only repair to the pool steps and that their repair to the fountain by the Condominium was not done well and left a trip hazard.

Management sent Knoble a certified letter requesting that Knoble complete the repairs to the fountains as agreed.

4. Stormwater Ponds Maintenance Costs

Management noted that some of the items listed by the County as still being the responsibility of FHCA are not included on Management's list. Management will request a specific parcel numbers to determine the locations of these items.

Management noted that the work on the stormwater ponds in 2016 was funded from the reserves. After review of the governing documents, it became clear that the expense should be categorized as an operating expense, rather than a reserve expense. It was noted that Article V, Section 1F, *General Maintenance Assessments*, states that stormwater maintenance is included under general expenses and that the Reserve Study prepared by Miller Dodson Association, Inc., also indicates that stormwater pond maintenance is considered a maintenance activity and that thus it is not included in the Reserve Analysis.

The draft minutes from the October 2016 Board meeting included a motion with the wording that payment for stormwater pond maintenance was to come from the reserves, but the Board deleted this from the minutes when they were approved. However, by this time, Management had paid the expenses from the reserves. Management will transfer funds from the operating account to the reserves to reimburse this expense.

MOTION: (Frank Walsh/Robert Love) Approve moving \$32,700.00 from the operating fund to reserves for payment for stormwater maintenance repairs that were originally paid from from reserves.

Vote: Motion Passed – 4 ayes/2 nays (Lee, Matchett)/0 abstentions

5. Draft Audit

Management provided the Board with the draft audit for 2016 from Goldklang Group. The Board noted questions and clarifications for the audit.

It was noted that the FHCA Reserve Study needs to be updated.

Frank Walsh suggested having a representative from Goldklang Group attend the March Board Meeting to respond to questions about the audit. Management will check with Goldklang Group if there would be a cost for a representative to attend a Board Meeting.

6. Delinquent Account Collections

Harry Matchett noted that it is difficult to track and compare the expenses from legal counsel in pursuing collections of delinquent accounts and the amounts collected for payments to delinquent accounts. Mr. Matchett suggested opening two (2) operating accounts: one to track expenses from the attorney and one to track the amount collected from delinquent accounts.

MOTION: (Harry Matchett/Hari Donthi) Have Management pursue opening of an operating account specifically for dealing with collections and the legal costs for collections.

Vote: Motion Passed – 5 ayes/1 nay (Walsh)/0 abstentions

Frank suggested sending a letter to those homeowners with small amounts due on their accounts, requesting that these amounts be paid. It was noted that late payment/overdue notices are automatically sent to homeowners

7. Website Information Maintenance

Harry suggested that the information regarding the CCOC case be removed from the website. The homeowner appealed the CCOC ruling to the special court of appeals in May 2016; this appeal was denied, so the case is closed.

Frank Walsh noted that the information on the CCOC should be left on the website for transparency.

MOTION: (Harry Matchett/Sherry Lee) Remove the information regarding the CCOC case from the community website.

Management noted homewisedocs.com asks on their forms if the community has been in litigation during the past year.

Vote: Motion Passed – 5 ayes/1 nays (Walsh)/0 abstentions

E. **ADJOURNMENT**

MOTION: (Harry Matchett/Sherry Lee) Adjourn the Board of Directors Meeting at 9:30 p.m.

Vote: Motion Passed 5 ayes/1 nay (Walsh)/0 abstentions