

**Fountain Hills Community Association
Board of Directors Meeting
January 6, 2010**

The Board of Directors of Fountain Hills Community Association held a Board of Directors Meeting at the Upcounty Regional Services Center on Thursday, January 6, 2011 at 7:30 p.m.

Board Members Present:

Phil Suter, President
Vernard McBeth, Vice President
Daryl McFadden, Treasurer
Frank Walsh, Secretary
Shirley Fair, Director
Nicolm Mahabir, Director
Steven Muse, Director

Also Present:

Stephon Collins, Community Manager
Craig Wilson, Vanguard Management
Ruth Ann Allen, Recording Secretary

Present:

Glenn Cade, G&G Towing
Bryan Sherman, G&G Towing

Homeowners Present:

Maggie Suter, 13384 Rushing Water Way, ARC Chair
Dave and Maggie Powell, 18747 Harmony Woods Lane
Kevin Shine, 18774 Harmony Woods Lane

A. CALL TO ORDER

Phil Suter requested that Vernard McBeth run the Board Meeting as there are still issues that are to be dealt with that began before he was elected to the Board.

The January Board of Directors Meeting was called to order by Vernard McBeth at 7:35 p.m.

B. MEETING WITH G&G TOWING

Glenn Cade and Bryan Sherman from G&G Towing were present to discuss the Board's concerns over the enforcing of towing in the community.

Mr. Cade stated that G&G Towing is here for the community's business twenty-four (24) hours a day. He understood that the Board has some concerns over preferential parking and the towing policy not enforced unilaterally.

Nicolm Mahabir stated that he has noticed that the enforcing of towing is sporadic and discriminatory. He has noted that several security vehicles parked on Lake Geneva Way seem to move just prior to a tow truck showing up, and then they return again after the tow truck has gone by. Steven Muse mentioned that one (1) of these vehicles has a G&G Towing permit sticker in the window that gives the tow driver the impression that

the vehicle should not be towed. Mr. Cade mentioned that according to Montgomery County rules, towing can only occur between 2:00 a.m. and 9:00 a.m. unless there is specific authorization. Mr. Mahabir mentioned that he has called the towing company about towing a vehicle about three (3) times over the past year and no one has responded.

Mr. Mahabir stated that favoritism is being shown to some vehicles in the community. Mr. Cade mentioned that G&G Towing has not authorized anyone to give out passes. The tow truck drivers only make money on vehicles that are towed, so the drivers are very willing to tow unauthorized vehicles.

Mr. McBeth suggested that now that G&G Towing has an idea of the concerns about towing in Fountain Hills, the rest of this matter should be able to be handled over the phone.

Mr. Cade and Mr. Sherman stated that this was the first time that they had heard about this towing situation in Fountain Hills. They requested that G&G Towing be notified right away if there are any other problems. The Board thanked Mr. Cade and Mr. Sherman for attending the Board Meeting.

Frank Walsh inquired about a drop fee that had to be paid even though the owner of the vehicle showed up before the vehicle was towed. G&G Towing stated that according to Montgomery County law, there is a drop fee of \$50.00 for releasing a vehicle after it has been lifted.

C. MINUTES

1. November 4, 2010 Board Meeting Minutes

The approval of the November 4, 2010 minutes will be deferred until the February Board Meeting.

2. December 2, 2010 Board Meeting Minutes

MOTION: (Vernard McBeth/Phil Suter) Approve the December 2, 2010 Board Meeting Minutes as amended.

Vote: Motion Passed - 7 ayes

D. MANAGEMENT REPORT

1. Enforcement Policies and Procedures

Management provided the Board with a copy of the Violation Enforcement Procedure that was adopted in July 2006. Management has been trying to follow these procedures concerning violations in the community. Management recommends that the Board, Enforcement Committee and the Architectural Review Committee (ARC) review and evaluate this procedure, and amend, if appropriate.

Vernard McBeth suggested that the wording be changed on Item 1C, #2 to state that the time period to correct the violation is not to exceed fifteen (15) days.

MOTION: (Vernard McBeth/Steven Muse) Change the language on the Violation Enforcement Procedure under Item 1C, #2, as recommended by the Vice President, to

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read; “The Member will then have a time period not to exceed fifteen (15) days from the date of the violation letter to correct the violation.”

Vote: Motion Passed - 7 ayes

2. Auditor Proposals

Management was notified in Mid-December by the Association’s last auditor that they would not be conducting the Fountain Hills audit or undertake tax preparation. The auditor indicated that someone from Vanguard Management had verbally advised them that the Association was changing auditors. Management has no record of any of this taking place.

Management provided the Board with two (2) proposals from auditors to audit and prepare the income tax returns. These tax return must be completed by March 15, 2011. The total cost for audit and preparation of tax returns by OAO Mohn & Allen, PC is \$2,800.00 and by Goldklang Group is \$3,150.00.

MOTION: (Vernard McBeth/Phil Suter) Propose to Goldklang Group that they match the price of OAO Mohn & Allen, PC for the audit and preparation of the 2010 tax returns, and if they decline, accept the proposal from OAO Mohn & Allen for \$2,800.00.

Vote: Motion Passed - 7 ayes

3. Proposals for Tree Replacement and Flower Bed Enhancements

Management provided the Board with proposals from McFall & Berry Landscaping for Tree Replacement and Flower Bed Enhancements. Vernard McBeth requested that McFall & Berry provide drawings on what the plantings would look like. It was noted that the Board had requested this information in June and Management just received the information. Phil Suter inquired if there was a Landscape Committee. There is currently no Landscape Committee for Fountain Hills. Mr. Suter requested that he would like to meet with McFall & Berry to go over the proposals. Management will set up a time to fit with Mr. Suter’s schedule to with meet with McFall & Berry. The Board agreed to table the decision on these proposals until Mr. Suter has met with McFall and Berry and all the information they requested is received.

Management noted that there is still a small amount of tree removal work that has not been priced by McFall & Berry. The Board requested that Management go out for bids for contractors who would be able to remove the trees soon.

4. Parking on Harmony Woods Lane

The Board sent out correspondence to homeowners on Harmony Woods Lane requesting that they attend the Board Meeting on January 13th to discuss the parking issues on Harmony Woods Lane. Dave and Margie Powell, 18747 Harmony Woods Lane and Kevin Shine, 18724 Harmony Woods Lane, were present to discuss parking

issues. Management has received complaints from several homeowners concerning

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guests of the Townes of Chestnut Oaks parking over on Harmony Woods Lane. Mr. Shine stated that parking is more of a problem on weekends and in the summer. He will notice people parking their cars on Harmony Woods and walking over to Chestnut Oaks.

Management sent a letter to Chestnut Oaks requesting that visitors of Chestnut Oaks park on Mateny Road. Management stated that Chestnut Oaks has not had a Board Meeting, and they have not received any response from the letter.

The Board discussed options for controlling parking on Harmony Woods Lane. Steven Muse suggested that homeowners be given three (3) visitor passes and if a vehicle does not have a hang tag then it will be towed. Mr. Powell suggested that signs be put up that parking is for residents and guests of Harmony Woods. Phil Suter stated that he did not think people would notice the signs.

Frank Walsh inquired if this was a temporary and permanent solution. Vernard McBeth stated that the parking passes should be a temporary solution as once vehicles are towed from Harmony Woods they won't park there again.

Mr. Suter suggested that Management send a letter to residents on Harmony Woods Lane that the policy of the parking passes will be implemented in the spring. Management suggested that April 1, 2011 would be a good time to implement the hang tags, as it will take time to get the hang tags to residents as they cannot be sent through the mail.

Frank Walsh stated that only two households came to the Board Meeting from Harmony Woods, so the parking problem may not be as bad as previously suggested, otherwise there would be more homeowners in attendance. The Board has time to see if the letter to Chestnut Oaks solves the problem.

Mr. Powell suggested that the Board allow for another chance for homeowners to comment on the policy before it is implemented.

MOTION: (Vernard McBeth/Phil Suter) Have Management send a letter to residents of Harmony Woods Lane stating that the Board is considering implementing a hang tag policy and request that residents comment on this matter either by letter or at the Board Meeting in February. The hang tag policy will be implemented on April 1, 2011. The hang tag policy will state that each resident on Harmony Woods Lane will have three (3) guest passes and violators will be towed.

Vote: Motion Passed - 7 ayes

5. 2011 Operating/Meeting Plan

Management provided the Board with the 2011 Operating/Meeting Plan for their review. Vernard McBeth suggested the possibility of reducing the number of Board meetings. Mr. McBeth also suggested changing the fiscal year or the date for electing a new Board so these events occur closer together, as the gap is too great between the fiscal year and when the Board is elected. The fiscal year begins on July 1st and the new Board

is elected to start on January 1st. Management stated that it would be easier to change the

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Annual Meeting date versus changing the fiscal year. Changing the fiscal year would take a two-thirds (2/3) vote of the membership and approval from the IRA and an audit for the half year to close the books. Changing the Annual Meeting would be a bi-law amendment. Management will send the Board a copy of the law spelling out the requirements for changing the Annual Meeting. The Board requested that this matter be placed on the agenda for the February Board Meeting.

6. Request for Waiver of Late Fee for 13309 Rushing Water Way

The homeowner is requesting a waiver of the \$5.00 late fee assessed to their account. The homeowner stated that they waited on the new coupons to mail their November payment to the correct address. Management stated that the coupons were mailed to homeowners in September.

MOTION: (Phil Suter/Shirley Fair) Waive the \$5.00 late fee for 13309 Rushing Water Way.

Vote: Motion Passed - 7 ayes

7. Request for Waiver of Late Fee for 13249 Autumn Mist Circle

The property management company (Noah Preferred Properties) of 13249 Autumn Mist Circle has requested a waiver of the \$5.00 late fee that was assessed to their client's account. The property management company stated that this payment was mailed with twenty other checks and they fear the check may have been lost.

MOTION: (Vernard McBeth/Steven Muse) Waive the \$5.00 late fee for 13249 Autumn Mist Circle.

Vote: Motion Passed - 7 ayes

8. Request for Waiver of Notice of Intent Fee for 13101 Lake Geneva Way

The homeowner is requested a waiver of the \$45.00 Notice of Intent fee that was changed to their account. The homeowner stated that they did not receive notice that the payment location had changed and were sending the payments to the wrong location. There were also two (2) late fees assessed to the account.

MOTION: (Phil Suter/Vernard McBeth) Waive the two (2) late fees totaling \$10.00, do not waive the \$45.00 Notice of Intent fee.

Vote: Motion Passed - 7 ayes

9. Request for Waiver of Fine for 13207 Scarlet Mist Way

Management received an email from the homeowner concerning the violation fine letter for not maintaining the property. The homeowner stated that, due to financial difficulties, it has been difficult to take care of the property. The homeowner hopes to have these items noted in the violation letter corrected by the end of March.

MOTION: (Phil Suter/Vernard McBeth) Approve the extension to correct the

Vote: Motion Passed - 7 ayes

10. Request for Waiver of Fine for 18915 Porterfield Way

Management received an email from the homeowner indicating that due to being out of the country for an extended period of time, the homeowner was not aware of the violation letter for the missing storm door. The homeowner rectified the violation upon returning home. The homeowner is requesting a credit to the account for the \$25.00 fine.

Vernard McBeth suggested that the Board could waive half of the fine. Phil Suter stated that the Board needs to be consistent with their policies.

MOTION: (Vernard McBeth/Daryl McFadden) Deny the request to credit the account of 18915 Porterfield Way of the \$25.00 fine.

Vote: Motion Passed - 6 ayes/1 nay (Shirley)

11. Investment Accounts

Management reviewed the reserve study and the likely reserve cash needs for the next three (3) years and recommends investing the cash in the Smith Barney Money Market Account into Certificates of Deposit (CDs). Management recommends \$20,000.00 from the Smith Barney Operating Savings account be invested in a one (1) year CD, and \$180,000.00 from the Smith Barney Money Market Account be invested in six (6) CDs of \$30,000.00 each to mature as follows: March 2014, June 2014, October 2014, December 2014, March 2015, and June 2015.

MOTION: (Daryl McFadden/Phil Suter) Adopt the laddering of the Certificates of Deposit suggest by Management and keep the remaining balance in the Wachovia Money Market account liquid.

Vote: Motion Passed - 6 ayes/1 abstention (McBeth)

12. Pet Waste Stations

The Board discussed the installation of pet waste stations in certain areas of the community. Issues raised included the questions of whether the pet waste stations would be used, if the cost would fit in with the budget, and the placement of the stations. Frank Walsh questioned why the Board is only considering six (6) stations versus having them for the whole community. Vernard McBeth stated that the areas suggested for pet waste stations are used more than others, and if the pet waste stations are used, more can be installed. These stations can be moved, if necessary, since they are not set in concrete. Management stated that the initial cost for the pet waste stations comes from the operating budget, but repair/relocation can be taken from the reserve budget after they are installed.

MOTION: (Vernard McBeth/Daryl McFadden) Accept the goods and services by DC Metro Pets not to exceed \$4,180.00.

Vote: Motion Passed 4 ayes/1 nay (Walsh)/2 abstentions (Mahabir/Suter)

E. OLD BUSINESS

1. Pool ID System

The Board discussed moving forward with a pool ID system to replace the paper system that is now used. Vernard McBeth stated that the cost from Jollytrack for the ID system is about \$3,650.00. The system comes with some blank ID cards, but more would need to be purchased. A laptop computer will also need to be purchased.

Other matters that will need to be worked out to start up this system is making sure the pool company is on board with the system, notifying the community, and recruiting volunteers to take pictures. Vernard McBeth and Daryl McFadden both volunteered to take pictures.

Frank Walsh stated that the current system works so why would it need to be changed, since all the details of the pool ID system have not been worked out yet. Vernard McBeth stated that the pool ID system will save money from the all paper system.

MOTION: Steven Muse/Vernard McBeth) Start implementing the pool ID system at a cost not to exceed \$6,000.00.

Vote: Motion Passed - 5 ayes/1 nay (Walsh)/1 abstention (Mahabir)

Frank Walsh also inquired how the computer would be updated for homeowners who are delinquent on their assessments. The response was that it would be updated manually by volunteers. Vernard McBeth stated that currently, once the paper passes are sent out, the accounts are not checked for delinquent accounts to rescind pool passes; this would not change unless WiFi is installed at the pool.

2. WiFi at the Pool

The Board discussed the possibility of installing WiFi at the pool. A contractor would need to be found who will provide this service for only four (4) months of the year. If WiFi is installed, then the computerized pool ID system could be updated remotely. Phil Suter mentioned that WiFi has never been needed at the pool. Steven Muse stated that this would be an added service for the community.

The Board tabled the decision on this matter and requested that Management look into companies that would offer a short term contract each year for WiFi, or a month to month contract.

F. NEW BUSINESS

1. Electronic Mail to Board

Vernard McBeth suggested that Management only send electronic copies of the financial statements to the Board.

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MOTION: (Vernard McBeth/Phil Suter) Approve that Board members receive an electronic copy from Management of the financial statements for Fountain Hills Community Association.

Vote: Motion Passed - 6 ayes/1 abstention (Walsh)

2. Community Electronic Mailings

The Board discussed the option of moving forward with sending electronic mailings to the community. Management suggested that a letter be sent to the community containing a self-addressed envelope for homeowners/residents to opt into receiving electronic mailings and to provide their email address.

MOTION: (Vernard McBeth/Daryl McFadden) Send a letter to homeowners, with a self-addressed stamped return envelope, which states that the community will be moving forward with sending email communications to the community with the option to opt-in to electronic mail or continue to receive paper mailings.

Vote: Motion Passed - 7 ayes

3. Re-visit the No Parties at the Pool Motion

Vernard McBeth requested that the Board reconsider the motion approved by the Board last year for no parties to be held at the pool. Management will add this matter onto the agenda list for next month.

G. ADJOURNMENT

MOTION: (Vernard McBeth/Phil Suter) Adjourn the January Board Meeting at 9:37 p.m.

Vote: Motion Passed - 7 ayes