

**Fountain Hills Community Association
Board of Directors Meeting
June 4, 2015**

As Approved at the July 2, 2015 Board of Directors Meeting

Board Members Present: Thomas Walker, President
Christopher Allo, Vice President
Harry Matchett, Treasurer
Frank Walsh, Secretary
Lena Burleson, Member at Large
Katharine Stout, Member at Large

Board Members Absent: Hari Donthi, Member at Large

Others Present: Ruchita Patel, Management Agent
Marylou Bono, Recording Secretary
Phil Carter, Community Pool Service

Homeowners Present:

Sherry Lee	Robert Love
Tom Brennan	Nick Mahabir
Manjit Kaur	Alex Sheraw
Stacey Teig	

Call to Order

The meeting was called to order at 7:31 pm by Board President Tom Walker.

Community Pool Service Attendance

Phil Carter from Community Pool Service was present to discuss the current status of the pool filtration system and options for correction of the problems that are causing water to drain onto Condominium property. He explained the pool's backwash and drainage system and offered three options:

- switching to a cartridge filtration system
- installing an above-ground tank to hold backwash from the existing filters
- excavating the hill and replacing the current underground tank and drainage pipe

Mr. Carter advised the Board that CPS has put in place some interim solutions that can continue for the season and permanent repairs can be implemented in the fall. The Board agreed that they would address the filtration issues after the current pool season ends.

Homeowner Forum

Tom Brennan expressed his concern with the approved budget mailing and what he feels is a discrepancy in the assessment increase percentage. He stated that the budget was null and void as mailed. Tom Walker disagreed.

Nick Mahabir stated that he was disappointed with the budget mailed to homeowners as he said that the percentage increase was higher than the 5% voted on. He was concerned with the \$50,000 loan taken

from reserves and claimed that there is a Maryland law that loans taken must be repaid in the fiscal year in which they are incurred. He requested a response from the Board as well as a legal opinion on the matter. Mr. Mahabir expressed concern over the budget deficit from last year and claimed that there was no budget deficit during his tenure on the Board. Tom Walker advised that he would send a budget report from that time to Mr. Mahabir and that the deficit is very clear on the reports. Mr. Walker also advised that the Board is preparing a response to the email received from Mr. Mahabir. Mr. Mahabir further commented that his pool passes don't work and neither do the fountains. Mr. Walker advised that he would have someone follow up with Mr. Mahabir regarding his pool passes and that repairs to the fountains are scheduled to be discussed later in the meeting.

Lena Burleson commented regarding the perceived anger of Mr. Mahabir towards the Board. Chris Allo stated that the Board was trying to catch up from the deficit that was present when the current Board was elected. He stated that the Board was borrowing funds from reserves to maintain cash flow in order to pay the Association's contractors and move the community forward.

Bob Love commented that he finds the animosity displayed during homeowner forum distressing. He requested updates on the legal expense issue, delinquencies and the collection firm's success rate. Mr. Love stated that as the community's management company, TMGA should be counseling the Board on any laws regarding loans. Ruchita Patel stated that there is no such law concerning borrowing against reserves as described by Mr. Mahabir.

Manjit Kaur requested an update on the status of collection of delinquent accounts including how much has been collected to date. She inquired if renters receive copies of the community newsletter. Ruchita Patel advised that both the owner and renter receive any newsletters mailed by TMGA. Ms. Kaur inquired as to what evidence is needed to prosecute residents who do not clean up after their pets and trespass on other's lawns. Tom Walker advised that animal control is a County law. Ruchita Patel advised that these instances may be reported to Montgomery County Animal Control who can advise on what information they require to proceed. Ms. Kaur expressed her concern with the landscaping budget and noted that there is an extensive amount of turf renovation and tree replacement that needs to be done in the community. She inquired as to what other sources of money the Board has come up with to address these items. Tom Walker agreed to attend the next Landscaping Committee meeting to discuss the budget.

Meeting Minutes

MOTION: (Tom Walker, Frank Walsh) Approve the minutes of the May 7, 2015 Board of Directors meeting incorporating the changes submitted by Frank Walsh and Harry Matchett.

Vote: Approved 3-1-2 (Harry Matchett against; Chris Allo, Lena Burleson abstained)

Treasurer's Report

Treasurer Harry Matchett advised that he had no report as he did not bring his Board book.

Tom Walker suggested that Mr. Matchett work with management to put together a status report regarding collection efforts. Ruchita Patel advised the Board that as of June 30, 2014, 27% of the community was delinquent in payment of their assessments. There were only 7 liens in place at the time and none of them were current. Ms. Patel counseled that the collection process takes time and that she will be putting an update in the next newsletter with a graph of the progress that is being made. She advised that

approximately \$4,000 in delinquent amounts was collected last month and that the current amount past due is \$190,000.

Cash Flow

Tom Walker advised that the past due invoices to Dunlevy were paid. He emailed to the Board a spreadsheet of the projected cash flow for the next 12 months and requested that Board members review it and provide their comments. Frank Walsh inquired if Dunlevy would now begin installing the flowers. Ruchita Patel advised that flowers are to be installed within the next 10-14 days.

Capital Repairs

The management report included an email from Ruchita Patel detailing items from the reserve study that may or may not have been addressed previously per the study's schedule. She inquired if the Board wished to do any work on the scheduled reserve items. Harry Matchett suggested that none of this work be done due the recent need to borrow from reserves. Ms. Patel noted that the reserves are currently underfunded.

Pool Filtration System

Tom Walker suggested that the temporary pool filtration solution previously discussed be continued until the off season when the matter can be further assessed. Ruchita Patel advised that she would start obtaining bids for the repair work. Frank Walsh stated that the issue is really the tank and recommended that the underground tank be kept and either repaired or replaced. Tom Walker liked the above ground tank option as it would facilitate repairs. It was the Board's consensus to obtain bids for both options and to review the matter after the pool season.

Pool Reserve Items

Ruchita Patel reviewed several pool reserve repair items (paint stair railings, recaulk stair railing bases, repaint diving board bases) and the Board decided to table them at this time.

Fountain Repairs

The Board generally discussed the status of the fountains in the community, the need to advise residents of the status of their operation and the repair proposal received from CPS. Ruchita Patel advised that the fountain on Mediterranean Drive does not hold water. Ms. Patel advised that the replacement cost is \$48,000. The Board discussed the large size of this fountain and felt that a smaller one would be a better choice.

The fountain on Fountain Club Drive had no water and it was found that the water meter was hidden in the bushes and that no WSSC invoice had been paid since May 2014. The \$229 invoice has since been paid, but the fountain requires repair to be operational. The fountain on Cub Run Way is working, but has a large hole in it. The fountain on Sparkling Water Drive/Fountain Club Drive needs repairs as well.

MOTION: (Tom Walker, Frank Walsh) Accept the proposal to repair the Fountain Club Drive fountain for \$350 and obtain bids to replace the Mediterranean Drive fountain with a smaller fountain.

Vote: 5-1-0 (Harry Matchett against)

Stone Repairs

Ruchita Patel advised that Knoble has completed work on the stone steps near the pool; however, due to the extra time it took to complete this work, they have revised their previous proposal for the remainder of the stone repairs in the community. A few Board members were not entirely satisfied with the job done on the stone steps and would like Knoble to install additional stone in place of some of the mortar when they perform the remainder of the repairs.

MOTION: (Tom Walker, Lena Burtleson) Accept the proposal from Knoble to repair the stone work at the Fountain Club Drive fountain, stairs and walls and the Scarlet Mist Way fountain for a total cost of \$6,840, to be taken from reserves. This is contingent upon Knoble agreeing to correct and add additional stone to the work previously done on the pool steps.

Vote: 5-1-0 (Harry Matchett against)

Revised Collections Policy

Ruchita Patel presented the revised Collections Policy to the Board and asked if they would like to change the number of days before a notice of intent to create a lien is sent. Tom Walker asked if Treasurer Harry Matchett had any comments on this. Mr. Matchett recommended that it be kept at 45 days. Ruchita Patel explained the late fee and lien process and charges. Harry Matchett stated that the revisions to the policy do nothing to strengthen the ability to collect delinquent assessments. Ms. Patel commented that they actually do as the existing policy does not comply with the law. TMGA gets paid for every late notice they send out.

MOTION: (Lena Burtleson, Katharine Stout) Accept the revised Collections Policy as reviewed and confirmed by the Association attorney.

Vote: 4-2-0 (Harry Matchett and Frank Walsh against)

Newsletter Distribution

The Board discussed whether future distribution of the newsletter should be done by mail or electronically via email. Ruchita Patel suggested that a notification flier be included with the next mailing advising all homeowners that future newsletters would be distributed electronically.

MOTION: (Lena Burtleson, Tom Walker) Distribute the community newsletter electronically and notify residents via a flier in the next mailing with an option to request a copy by mail.

Vote: 4-2-0 (Harry Matchett and Frank Walsh against)

Homeowner Correspondence

The Board discussed correspondence from a homeowner regarding the change in wording of the October 2014 Board of Directors meeting minutes. Ruchita Patel advised that she has responded twice on behalf of the Board. Tom Walker stated that he would prepare a response to the homeowner under his signature.

Pool Pass Replacement Fee

The Board discussed the \$50 per pass replacement fee for lost pool passes and the request for a waiver of this fee by a homeowner.

MOTION: (Lena Burleson, Tom Walker) Amend the replacement pool pass fee for the 2015 season only from \$50 each to \$5 each and invalidate previous passes issued to any residents who request replacements.

Vote: 5-1-0 (Harry Matchett against)

Adjournment

Tom Walker moved to adjourn the Board of Directors meeting at 9:59 pm.

Submitted by: Marylou Bono, The Management Group Associates, Inc.

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