

**Fountain Hills Community Association
Board of Directors Meeting
December 3, 2015**

As Approved at the January 7, 2016 Board of Directors Meeting

Board Members Present:

Tom Brennan, President
Nick Mahabir, Vice President
Harry Matchett, Treasurer
Frank Walsh, Secretary
Sherry Lee, Member at Large
Siu Poon, Member at Large

Board Members Absent:

Hari Donthi, Member at Large

Others Present:

Ruchita Patel, Management Agent
Marylou Bono, Recording Secretary

Homeowners Present:

Hashmat Koraganie	JoAnn Windsor
Steven Muse	Barbara Peressini
David Holtzman	Jonathan Steele
Alexis and Jerry Gerard	Carrie Hoffman

Call to Order

The December 3, 2015 Fountain Hills Community Association Board of Directors meeting was called to order at 7:30 pm by Board President Tom Brennan.

Meeting Minutes

November 5, 2015 Preliminary Board of Directors Meeting

MOTION: (Harry Matchett, Tom Brennan) Accept the minutes of the November 5, 2015 Preliminary Board Meeting incorporating changes submitted by Harry Matchett and Frank Walsh.

Vote: 6-0-0

November 5, 2015 Board of Directors Meeting

MOTION: (Harry Matchett, Siu Poon) Accept the minutes of the November 5, 2015 Board of Directors meeting incorporating changes submitted by Harry Matchett and Frank Walsh.

Vote: 6-0-0

November 23, 2015 Special Meeting of the Board of Directors

MOTION: (Nick Mahabir, Sherry Lee) Accept the minutes of the November 23, 2015 Special Meeting of the Board of Directors as provided by Tom Brennan and read into the December Board meeting minutes.

Vote: 6-0-0

Minutes of the November 23, 2015 Special Meeting of the Board of Directors

On Monday, November 23, 2015, a special meeting of the Fountain Hills Board of Directors was held at 7:00 pm in the Community Pool House located at 18700 Club Run Way, Germantown, Maryland.

The meeting was called to order at 7:00 PM.

Attendees:

Tom Brennan - President

Nicolm Mahabir - Vice President

Frank Walsh (arrived 7:03 pm) Secretary/Condo Rep

Harry Matchett - Treasurer

Hari Donthi - At Large

Siu Poon - At Large/Single Family Rep

Sherry Lee - At Large/Townhome Rep

In accordance with Section 11B-111 of the Maryland Homeowners Association Act, the following motion was made for the purpose of discussing property management contract and on-going legal matters:

MOTION: (Tom Brennan, Siu Poon) To move into Executive Session.

Vote: 6-0-0 (Frank Walsh was not present at time of vote to move into closed session)

No other motions were made, no votes taken.

Meeting was adjourned at 8:30 pm.

Homeowner Forum

Tom Brennan advised homeowners that each would be allotted three minutes' time for their questions and that the Board would follow up on matters presented as necessary.

David Holtzman referenced the termination letter from TMGA that was posted on the community website in early November. Mr. Holtzman asked that the letter be entered into the minutes and requested clarification concerning the potential violations of State and County towing laws that had been brought to the Board's attention as stated in the letter. Tom Brennan stated that this matter had been addressed to the previous Board and that any information would be shared during the Enforcement Committee section of the meeting.

Steven Muse introduced himself and presented his concern that the agreement to settle ongoing litigation involving Vernard McBeth had not been accepted by the Board. He stated that the reason for the Association's continuing legal expenses has not been explained to the community.

Joanne Windsor inquired of Mr. Muse as to what the Board has not agreed to. Mr. Muse advised that this question should be directed to the Board.

Jonathan Steele expressed concern regarding the drainage issue on Cornelius Court as well as the continuing litigation. He advised that the drainage situation is becoming worse, with accumulated water sometimes reaching knee level, excess leaf build-up on the drain, flooding and property damage.

Alexis Gerard reported that three weeks ago, there was a flood at the bottom of the Cornelius Court alley affecting several homes.

Barbara Peressini asked if the Board should have accepted the settlement agreement in the McBeth litigation. Tom Brennan declined to answer the question since litigation is continuing and he does not have the information to respond. Ms. Peressini advised that water also backs up in the alley next to her home.

Jerry Gerard stated that as trees have gotten bigger, there are more and more leaves. He suggested that a grate with a different pattern may alleviate the blockage caused by these leaves accumulating on top of the drain.

Carrie Hoffman was present to support the drainage issues being experienced by her neighbors. She is confused regarding the litigation issue and requested that there be more open communication with homeowners on this matter.

Robert Love stated that the current financial situation is the result of a three-fold problem--legal expenses, delinquencies and inadequate budgeting. He called for drastic action and proposed the following options for 2016: close the pool, reduce trash collection to one time per week, discontinue recycling collection, close the fountains, eliminate the dog stations, discontinue planting flowers, stop funding the reserve account and suspend parking enforcement. He estimated that these measures would save the community approximately \$195-215,000 per year.

Steven Muse commented that a fiscal accountability committee should be established. He is aware of individuals in the community who have this expertise and may participate on this committee, if formed.

Sherry Lee commented that the community has always been in compliance with State and County towing laws. She has attended meetings and workshops, worked with the County Inspector and installed additional towing signs.

David Holtzman inquired as to what is the rule or policy of the Board with regard to parking. Per Sherry Lee and Harry Matchett, this information is in the Association's Covenants. Mr. Holtzman asked what steps had been taken for the townhomes. A discussion ensued.

Sherry Lee requested that a motion be made to have former Board President Tom Walker removed from the towing authorization list and Tom Brennan added and that TMGA send a letter to this effect to G&G Towing. She commented that the towing contract is fine and that she has documentation from the County stating that the community is in compliance with the new towing laws.

MOTION: (Sherry Lee, Siu Poon) Request that TMGA send a letter to G&G Towing removing the name of former Board President Tom Walker from the towing authorization list and adding new Board President Tom Brennan to the list.

Vote: 6-0-0

Treasurer's Report

Harry Matchett advised that the quarterly Treasurer's report was scheduled to be presented in February. Tom Brennan noted that the other financial matters on the agenda could also be discussed at the February meeting. Ruchita Patel advised the Board that the reinvestment of reserve funds item on the

agenda required action. The Board reviewed documentation that Ms. Patel provided from Morgan Stanley.

MOTION: (Harry Matchett, Tom Brennan) Authorize the investment of \$50,000 from the money market account into a 6-month CD.

Vote: 5-0-1 (Frank Walsh abstained)

Tax Returns

MOTION: (Tom Brennan, Sherry Lee) Accept the 2015 tax returns as submitted by Goldklang Group.

Vote: 6-0-0

2015 Audit

Tom Brennan advised that he had cancelled the auditor's scheduled presentation at the meeting. Ruchita Patel advised the Board to take time to read the audit as it contains several important points that should be reviewed carefully by the Board and taken into consideration, particularly when preparing the 2017 budget. Tom Brennan commented that he and the Board will review and discuss the audit at a later time.

MOTION: (Siu Poon, Sherry Lee) Accept the 2015 audit as presented.

Discussion ensued. Nick Mahabir mentioned the \$102,000 deficit incurred in FY 2015 by the previous Board. Harry Matchett enumerated several items that he stated were responsible for the deficits, some uncontrollable and some not--stormwater management pond issues, water quality protection charge cost increase, snow removal, printing, CCOC case legal costs, pool water, maintenance and late meeting fees.

Vote: 4-0-2 (Harry Matchett, Frank Walsh abstained)

January 2015 Board Minutes

Per Harry Matchett, the minutes of the January 2015 meeting currently posted on the website do not appear to contain the approved revisions he submitted. Ruchita Patel asked that Mr. Matchett forward a copy of his revisions so that they can be incorporated into the minutes and reposted on the website.

Expense Authorization

MOTION: (Harry Matchett, Siu Poon) Implement a temporary plan whereby the Board approves all uncontracted and non-recurring expenses (not utilities or recurring expenses) until the Association can fully fund the reserve account and repay the funds borrowed from reserves.

Vote: 6-0-0

Collection Policy

Harry Matchett voiced his concern that the collection policy does not apply to single family homes, as written. Mr. Matchett advised that the revised collection policy provided by the Association attorney and voted on by the Board is not an appropriate policy and the Association should revert to the previous collection policy.

MOTION: (Harry Matchett, Tom Brennan) Discontinue use of the current collection policy and revert to the previous version to ensure that all residents are covered equally.

Discussion ensued. Frank Walsh stated that he would not vote for a policy without reading it first and that any changes would need to be sent to the community for review. Ruchita Patel commented that the previous policy does not comply with Maryland law, which is why it was revised. She further advised that the current policy can be changed to add single family homes without rescinding the policy. Ms. Patel noted that the collection policy applies no matter who is the community's management company. She reminded the Board that to revert to the previous policy would require reprinting of coupon booklets and a mailing to advise homeowners of the proposed change.

Harry Matchett rescinded his motion. Tom Brennan advised that the Board will address the matter with their new management company. Frank Walsh stated that the omission can be easily corrected. Tom Brennan asked that the policy be sent to the Board for review and discussion at the next meeting.

MOTION: (Tom Brennan, Frank Walsh) Modify the current collection policy to include single family homes in the late fee collection provision.

Vote: 6-0-0

Accessory Apartment, 18817 Lake Placid Lane

Ruchita Patel reported that per an email she had just received from DHCA, they advised that the Association must register a complaint with the Department of Zoning. She noted that the homeowner had not responded to date. Ms. Patel asked the Board how much time they would like to give the homeowner to respond and request approval for the accessory apartment.

MOTION: (Tom Brennan, Sherry Lee) Send a letter to the homeowner at 18817 Lake Placid Lane giving them 5-7 business days from the date of the letter to submit a request to the Board for approval of the proposed accessory apartment. If no response is received, TMGA is to notify the County.

Vote: 6-0-0

Sub-Dividing of Home

The Board discussed the complaint received regarding the homeowner at 18805 Lake Placid Lane renting out parts of the home to multiple tenants and how to verify the report. Ruchita Patel advised that it was against the Bylaws to subdivide the unit and that credible proof should be obtained before enforcement action is taken. A letter to the homeowner with the rules could be sent and it can be verified with the County whether a rental license exists. The Board also discussed whether to enforce against people renting out rooms.

MOTION: (Tom Brennan, Frank Walsh) Authorize TMGA to send a letter to the owner of 18805 Lake Placid Lane advising of the restrictions in the legal documents concerning subdividing of homes within the Association and TMGA will check to see if the owner has a Renter's License.

Vote: 4-0-2 (Nick Mahabir, Siu Poon abstained)

Cornelius Court Street Drain

Tom Brennan advised that he had inspected the drain and spoken to homeowners but is unsure of the next step as the grass area surrounding the drain is not common area. Robert Love volunteered to inspect the area and provide recommendations at next month's meeting. Tom Brennan told the homeowners present that they could prune or remove trees and that the Board will work with them on possible solutions. Ruchita Patel advised that she is having crews clear the basin weekly. Mr. Brennan observed that this may not be necessary as most of the leaves are gone now.

MOTION: (Frank Walsh, Siu Poon) Authorize TMGA as necessary to clear the street drain on Cornelius Court of leaves if blocked and follow up with an email to the Board.

Vote: 6-0-0

Tree Pruning Request

Ruchita Patel brought to the Board's attention an email request for tree pruning from the owner of 18615 Autumn Mist Drive. Tom Brennan stated that pruning does not seem to be required in winter. Ms. Patel advised that she has seen the tree and the branches may hit the home in wind. The Board discussed that there have been multiple pruning requests in the community and that one cannot be done and not others. They also discussed trees in general and the several walkthroughs that have been undertaken. Mr. Brennan advised that pruning will need to be budgeted for and that funds are not currently available.

Expiring Contracts

Audit

MOTION: (Tom Brennan, Sherry Lee) Accept the audit contract with Goldklang Group for 2016-17 as presented, \$3,850 for 2016 and \$3,900 for 2017.

Vote: 6-0-0

Pet Stations

MOTION: (Nick Mahabir, Siu Poon) Discontinue service and maintenance of the pet stations in the community.

Discussion ensued as to the ownership of the stations, removal and cost of supplies. TMGA is to determine who owns the stations. It was agreed that if the stations are owned by DC Metro Pets, that they should be removed.

MOTION: (Nick Mahabir, Siu Poon) Nick Mahabir amended his motion to not renew the contract for service and maintenance of pet stations in the community from DC Metro Pets when it expires on December 31, 2015.

Vote: 5-0-1 (Tom Brennan abstained)

Appointment of Committee Members

Social Committee - Siu Poon confirmed that she is the only member of the Social Committee and that volunteers are solicited for events as needed.

ARC

MOTION: (Tom Brennan, Frank Walsh) Appoint Katharine Stout to the ARC.

Per Harry Matchett, the ARC is the only committee that is required to have an odd number of members. The committee would have 4 members with the appointment of Ms. Stout.

Tom Brennan amended his motion to add the appointment of Siu Poon to the ARC.

Vote: 6-0-0

Frank Walsh noted that he would like confirmation of the correct email address and phone number to contact Steven Muse as Mr. Muse has clearly stated that he only wants certain contact information to be used. Tom Brennan asked Sherry Lee to reconfirm with Mr. Muse his desire to participate on the Enforcement Committee and to provide his contact information.

JoAnn Windsor inquired as to how the community will be notified of the discontinuance of the dog station contract. Following discussion, it was the Board's consensus that an email blast would be sent and information would be posted on the website.

Board Email

Discussion tabled until January.

Lake Geneva Way Fountain

Discussion tabled until January.

Adjournment

MOTION: (Tom Brennan, Sherry Lee) In accordance with Section 11B-111 of the Maryland Homeowners Association Act, the Board of Directors voted 6-0-0 to go into Executive Session at 9:41 pm for the purpose of discussing delinquent accounts and potential litigation.

Vote: 6-0-0

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