

Fountain Hills Community Association

Board of Directors Meeting

June 5, 2014

The Board of Directors of Fountain Hills Community Association held a Board of Directors Meeting at the Upcounty Regional Services Center on Thursday, June 5, 2014 at 7:30 p.m.

Board Members Present:

Jackie Arnold, President
Harry Matchett, Treasurer
Hari Donthi, Secretary
Frank Walsh, Director
Steven Muse, Director

Also Present:

Ruchita Patel, Community Manager
Annette Thrasher, Community Manager
Ruth Ann Allen, Recording Secretary

Board Member Absent:

Nicolm Mahabir, Vice President

Homeowners Present:

Sue Adamkiewicz, 13322 Rising Sun Lane
Robert and David Hunter, 18621 Autumn Mist Drive
Manjit Kaur, 18625 Autumn Mist Drive
Richard and Renee Gaudin, 13205 Autumn Mist Circle
Henry and Margaret Cassi, 13207 Autumn Mist Circle
Marlene Byard, 18709 Autumn Mist Drive
Ashok Segu, 18629 Autumn Mist Drive
Tim Smith, 13327 Tivoli Fountain Court
Siu Poon, 19020, Noble Oak Drive
Jitendra Virani, 13355 Rushing Water Way
Chris Hekimian, 189356 Porterfield Way
Monique Pelloux and Luis Liceaga, 18617 Autumn Mist Drive
David Holtzman, 18715 Sparkling Water Drive
Andrew Riddle, 18701 Autumn Mist Drive
Dharmesh Mehta, 13353 Rushing Water Way
Jim Gribble, 18633 Village Fountain Drive
Clair Burdick, 13389 Rushinhg Water Way
Sangoo Jalla, 13392 Rushing Water Way
Lutasha Bell, 13395 Rushing Water Way
Ana Olariu, 13246 Autumn Mist Circle
Vernard McBeth, 13108 Lake Geneva Way
Tri Pham, 18633 Autumn Mist Drive

A. CALL TO ORDER

The June Board of Directors Meeting was called to order by Jackie Arnold at 7:30 p.m.

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B. NEW MANAGEMENT COMPANY

Jackie Arnold, Board President, announced that the new management company for Fountain Hills Community Association (FHCA) is The Management Group Associates, Inc. Ms. Arnold introduced Ruchita Patel and Annette Thrasher as the new community co-managers.

Ruchita Patel noted that she is the Vice President of The Management Group and has worked in community management for twenty-four (24) years. Ms. Patel noted that she had previously lived on Rushing Water Way. Annette Thrasher is the co-manager with Ms. Patel.

Ms. Patel stated that The Management Group took over management of the community on June 1, 2014 and that Vanguard Management's contract runs through June 10, 2014. Ms. Patel noted that she has received fifty-six (56) boxes of files and is waiting for the most current records from Vanguard Management.

Ms. Patel stated that The Management Group returns phone calls within in one (1) business day and replies to emails within one (1) to two (2) business days.

C. MINUTES

1. March 6, 2014 Board of Directors Meeting Minutes

MOTION: (Jackie Arnold/Frank Walsh) Accept the March 6, 2014 Board of Directors Meeting Minutes as revised by Frank Walsh.

Vote: Motion Passed - Unanimous

2. April 3, 2014 Board of Directors Meeting Minutes

MOTION: (Jackie Arnold/Hari Donthi) Accept the April 3, 2014 Board of Directors Meeting Minutes as submitted.

Vote: Motion Passed - 4 ayes/0 nays/1 abstention (Matchett)

3. May 1, 2014 Board of Directors Meeting Minutes

MOTION: (Jackie Arnold/Frank Walsh) Accept the May 1, 2014 Board of Directors Meeting Minutes as revised by Frank Walsh.

Vote: Motion Passed - Unanimous

D. HOMEOWNERS OPEN FORUM

1. Sue Adamkiewicz, 13322 Rising Sun Lane, inquired as to how the community covered the \$25,000.00 variance in the budget for FY2013. The Board noted that this was paid from the operating account. Ms. Adamkiewicz noted that the CCOC case has concluded and has been ruled on, and she inquired what the total amount that was spent on this case. The Board noted that this would be discussed later in the Board meeting, and the Board will discuss how to distribute this information to homeowners.

2. Chris Hekimian, 18936 Porterfield Way, noted his concern about the lack of transparency of the Board to the homeowners who pay the assessments for the community. Mr. Hekimian noted that many things are not being kept up in the

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community. Mr. Hekimian noted that a tree had fallen across the walking path by Lake Placid Lane and the Condominium. Jackie Arnold stated that she had recently walked that path and the tree had been cleared.

3. Andrew Riddle, 18701 Autumn Mist Drive, noted his concerns about the lighting in his neighborhood. Mr. Riddle suspects that drug dealing may take place in areas that are dark. Management stated that, once a month, they will drive through the community after dark to check on the lights. Mr. Riddle also noted that the white fence along Great Seneca Highway is in disrepair and covered with graffiti.

Mr. Riddle mentioned that he had contacted the Association requesting a waiver of fees last year as he had trouble making payments. The Board denied the waiver of the fees, and Mr. Riddle feels that the Board did not show any consideration to his request and he feels cheated that the Board was not willing to waive the fees.

4. David Holtzman, 18715 Sparkling Water Drive, stated that Fountain Hills Community Association makes payments for the water protection fees that are levied by Montgomery County on the property tax bill. Mr. Holtzman provided the Board with the Water Quality Protection Charges from the tax year 2013 for their information. Mr. Holtzman noted that, in the draft budget, this is paid through the general account for common areas. Mr. Holtzman stated that Fountain Hills HOA does not pay property taxes except for the pool. Mr. Holtzman respectfully requested that the homeowners in the Condominium be reimbursed for the taxes paid to the water quality protection fee for the years ending June 30th of 2011, 2012, and 2013. Mr. Holtzman also requested that the Board consider removing the property taxes and water quality protection fees from the general budget for FY2014/2015 and move them to the townhome and village budgets.

5. Manjit Kaur, 18625 Autumn Mist Drive, noted her concerns about the substantial increases in the budget, including the bad debt line item. Ms. Kaur also noted that the Association is not taking care of the common areas.

Harry Matchett, Treasurer, responded for the Board and noted that, over the past several years, the bad debt amount has been about \$30,000.00 each year. The amount budgeted was not an accurate reflection of the bad debt reality and we are finally acknowledging and reflecting an accurate bad debt amount. Mr. Matchett stated that the Board will work on a stronger policy to get money from those who owe the Association dues and to make sure that this policy is followed. Mr. Matchett also stated that the Board will also be looking for a collection agency or legal counsel that specializes in collections for HOA Associations to handle the delinquent accounts.

6. Siu Poon, 19020 Noble Oak Drive, noted that bad debt affects each homeowner, as those who pay their monthly assessments cover the debt. Ms. Poon asked for the total amount of bad debt and legal fees owed to the community.

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Harry Matchett, Treasurer, stated that the total of legal costs and collection costs is about \$160,000.00.

Ms. Poon inquired who is going to pay for the legal costs.

7. Robert Hunter, 18621 Autumn Mist Drive, noted that the vehicles driving along Autumn Mist Drive are going too fast and that the speed bump does not slow them down. Mr. Hunter suggested that the Board look at ways to slow down drivers.

Mr. Hunter inquired why the Bylaws are not posted on the website.

Mr. Hunter noted that there is a conflict of interest in that Steven Muse is a member of the Board while he also has filed a CCOC case against the Community. Mr. Hunter requested that Mr. Muse be removed from the Board.

Mr. Muse stated that residents had voted him onto the Board.

Jackie Arnold stated that legal counsel had been asked about Mr. Muse being on the Board of Directors and their response was that it was permissible for Mr. Muse to be on the Board as long as he recused himself from the CCOC discussion.

8. Marlene Byard, 18709 Autumn Mist Drive, stated that she did not agree with the new pool policy that a single homeowner only gets one (1) pool pass when other homeowners get more. Ms. Byard requested that single homeowners also receive at least two (2) pool passes.

Ms. Byard also noted that the construction of the town homes in Fountain Hills is shoddy, the ARC Rules are not clear, and there are no examples of colors that are allowed in the community.

9. Claire Burdick, 13389 Rushing Water Way, noted that all homeowners originally used to receive at least two (2) pool passes and one (1) guest pass; she would also like to receive more than one (1) pool pass. Ms. Burdick also noted that children shoot out between cars on their scooters without looking for oncoming cars. Ms. Burdick noted that behind Rushing Water Way there is a river of water that runs through the grass when there is a heavy rain and that the streetlights are out on Clopper Road off of Great Seneca Highway.

10. Richard Gaudin, 13205 Autumn Mist Circle, noted that there was no link on the website for obtaining pool passes. Mr. Gaudin also inquired about contacting the new management company. It was noted that there is a link on the website to The Management Group and Ms. Patel is also available through her own email which she will give to homeowners.

Mr. Gaudin inquired if trees are still being replaced after they are taken down.

Mr. Gaudin noted that the information on trash collection needs to be updated on the website.

11. Renee Gaudin, 13205 Autumn Mist Circle, noted that when the landscaper cuts the grass, that they leave trash on the ground.

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12. Vernard McBeth, 13108 Lake Geneva Way, explained that he had the right, as a homeowner, to file a CCOC case. The issue he filed it over was that the Association was ignoring his request to replant grass in his front yard after the sidewalks were replaced. Mr. McBeth also stated that he had been removed from the Enforcement Committee where he had been a member for seven (7) years. Mr. McBeth noted that the Board also held secret meetings, without informing the community. Mr. McBeth stated that the Board chose to fight the CCOC case in order to win. It was noted that the board re-seeded his yard twice and later put down new sod.

13. Sanjoo Jalla, 13392 Rushing Water Way, noted that the streetlights on Rushing Water Way do not come on all at the same time. Management stated that the lights should all come on within five (5) minutes of each other. Management will have these streetlights checked out.

Ms. Jalla noted that she does not think the landscaper does do a good job cutting the grass. Ms. Jalla also noted that kids deliberately stand in front of vehicles as they come down the street.

14. Ashok Segin, 18629 Autumn Mist Drive, noted that he had brought to the attention of the Board that tree roots were coming up in his yard. So far, he has not received any response to his concern. Mr. Segin also noted that he was cited for repairs of shutters, but he had no idea on how to fix them and he was not able to find the same shutters.

15. Jitendra Virani, 13355 Rushing Water Way, stated that homeowners should not raise their voices during the Board Meetings. He stated that the matter of the CCOC cases constitutes “water under the bridge” and that the community needs to move forward.

16. Ana Olariu, 13246 Autumn Mist Circle, noted that she would also like to have a second pool pass.

17. Jim Gribble, 18633 Village Fountain Drive, noted that he had originally started the website and has lived in the community a long time. He stated that residents are not acting like a community.

Mr. Gribble inquired if there was a way to avoid the running up of legal fees in the future, and inquired if there was any legal recourse to recoup any money from Vanguard Management for the CCOC case. Management noted there were no monetary charges involved with the CCOC case, and the Directors and Officers Insurance does not cover CCOC cases. Management stated that it may be possible to add a defense coverage clause to the insurance policy.

Mr. Gribble thanked those who volunteered in the community.

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18. Frank Walsh, Board Member, inquired about submission of photos for pool passes, as some homeowners are uncomfortable about this. Management stated that the pool passes are bar coded and the photo will show up on the computer when a resident checks in at the pool. Management also noted that the database for the computer is not stored on the computer at the pool but at the office.

E. MANAGEMENT REPORT

1. Purchase of Automated External Defibrillator (AED) for Pool

The Board received a proposal from RSV Pools to purchase and install an AED for the pool in the amount of \$1,850.00. This action would be required in order to comply with Montgomery County Bill 26-12 and Maryland House Bill 1248 which require all public pools to be equipped with the device effective November 2013.

MOTION: (Jackie Arnold/Hari Donthi) Retroactively approve the purchase and installation of the required AED equipment for the pool in the amount of \$1,850.00.

Vote: Motion Passed - Unanimous

2. ARC Application for 18935 Fountain Hills Drive

Management provided the Board with an ARC Application from 18935 Fountain Hills Drive for installation of a brick patio.

MOTION: (Jackie Arnold/Steven Muse) Approve the ARC Application for 18935 Fountain Hills Drive for installation of a brick patio.

Vote: Motion Passed - 4 ayes/0 nays/1 abstention (Walsh)

3. ARC Application for 18815 Lake Placid Terrace

Management provided the Board with an ARC Application from 18815 Lake Placid Terrace for replacement window with the design and color to match the old ones.

MOTION: (Jackie Arnold/Harry Matchett) Approve the ARC Application for replacement of windows.

Vote: Motion Passed - Unanimous

4. 18808 Sparkling Water Drive, Unit 301

Management provided the Board with a request from Community Support Services for a waiver of the \$5.00 late fee assessed to the account at 18808 Sparkling Water Drive, Unit 301 in January 2014.

MOTION: (Frank Walsh/Hari Donthi) Waive the \$5.00 late fee for 18808 Sparkling Water Drive, Unit 301.

Vote: Motion Passed - Unanimous

5. 18808 Sparkling Water Drive, Unit 304

Management provided the Board with a request from Community Support Service for a waiver of the \$5.00 late fee assessed to the account at 18808 Sparkling Water Drive, Unit 304 in January 2014.

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MOTION: (Frank Walsh/Hari Donthi) Waive the \$5.00 late fee for 18808 Sparkling Water Drive, Unit 304.

Vote: Motion Passed - Unanimous

6. 13426 Fountain Club Drive

Management provided the Board with a request from the homeowner at 13426 Fountain Club Drive for a waiver of the \$5.00 late fee assessed to the account in May 2014.

MOTION: (Hari Donthi/Harry Matchett) Waive the \$5.00 late fee for 13426 Fountain Club Drive.

Vote: Motion Passed - Unanimous

7. 18701 Autumn Mist Drive

The Board tabled, until July, the discussion on the homeowner's request to waive the fees for 18701 Autumn Mist Drive that the Board denied in 2013 to allow the Board to review the information on this matter.

8. 13507 Niagara Falls Court

Management provided the Board with a request from the homeowner of 13507 Niagara Falls Court to remove a tree on their property that was interfering with their water pipes.

MOTION: (Jackie Arnold/Hari Donthi) Allow the homeowner of 13507 Niagara Falls Court to remove the tree at the homeowner's expense.

Vote: Motion Passed - Unanimous

9. Fountain Light Repairs

Management provided the Board with a proposal from Community Pool Service for replacement of one (1) fountain light fixture for the fountain at Fountain Hills Drive at a cost of \$950.00. The proposal also includes purchasing six (6) underwater light bulbs and installation of five (5) underwater light bulbs (with one (1) spare) for all fountains in the amount of \$295.00. The total cost of the proposal is \$1,245.00.

MOTION: (Hari Donthi/Frank Walsh) Accept the proposal from Community Pool Service for replacement of one (1) fountain light fixture for the fountain at Fountain Hills Drive and purchase and replacement of underwater light bulbs at a total cost of \$1,245.00.

Vote: Motion Passed - Unanimous

F. NEW BUSINESS

1. CCOC Case

Jackie Arnold stated that the Board wants to be open and transparent about the community, but the Board was advised by Vanguard Management and legal counsel not to speak about the CCOC while the case was active. Ms. Arnold noted that legal counsel had prepared a chronological summary. This summary includes motions by the Board

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and the fees and costs associated with those motions; the Board will provide this information to homeowners. This document does not include costs charged by Vanguard Management.

MOTION: (Hari Donthi/Jackie Arnold) Place the chronological document summary prepared by legal counsel of all motions made and fees for those motions on the website.
Vote: Motion Passed - 3 ayes/0 nays/2 abstentions (Walsh/Muse)

MOTION: (Frank Walsh/Hari Donthi) Attach the chronological summary of motions made with fees and costs from legal counsel for those motions to the June Board of Directors Meeting Minutes.

Vote: Motion Passed - 4 ayes/0 nays/1 abstention (Muse)

2. Landscaping

Jackie Arnold noted that landscaping is a community wide issue. Ms. Arnold stated that the new Managers have been notified about the landscaping issues. Management stated that a walk through of the community is planned to look at the landscaping. Management will prioritize a list of the landscaping projects and devise a long-term improvement plan. Management noted that many trees in the community are overgrown and this is common in Montgomery County for the age of the communities. Management will develop a plan to prune trees on a street-by-street basis over the next three (3) to four (4) years.

Frank Walsh noted that Lee's Tree Service had done a considerable amount of the tree work in the community.

3. Closed Meeting with Legal Counsel

Pursuant to Maryland Homeowner Association Act 11B-111 (4) (iii), the Board met with legal counsel on May 22, 2014 at 11:00 a.m. at the offices of Schild Law Groups, Rockville for the purpose of discussing the Board's options as they relate to the Decision and Order for CCOC cases 52-12 and 6-12.

The motion to hold this Closed Meeting passed with a vote of 4 ayes (Arnold, Mahabir, Donthi and Walsh)/1 nay (Matchett)/0 abstentions. Director Steven Muse did not participate due to conflict of interest.

4. Social Committee Meetings

Siu Poon, Social Committee Chair, noted that the Social Committee will be having monthly meetings on the third (3rd) Wednesday of the month at the Starbucks at the Kingsview Shopping Center at 7:00 p.m. The Board will send a mailing notifying homeowners of the Social Committee meetings before the first (1st) meeting is held.

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5. Legal Counsel

Jackie Arnold noted that legal counsel, Thomas Schild Law Group, LLP, had sent the Board a letter of resignation. Management will provide the Board with recommendations for new legal counsel.

6. Neighborhood Watch

The Board noted that a proposed Neighborhood Watch program in the community would need to be initiated by the residents. Many of the car break-ins in the community are crimes of opportunity as cars are left unlocked or valuables left in cars. It was noted that residents can visit the web site CrimeReports.com to view reported crimes in the community.

7. Community Newsletter

The Board noted that Management will publish a quarterly newsletter for Fountain Hills Community Association.

8. Financials

Harry Matchett stated that he will be involved in reviewing the financial documents, invoices, and delinquent accounts of FHCA.

G. ADJOURNMENT

MOTION: (Jackie Arnold/Hari Donthi) Adjourn the regular Board of Directors Meeting at 9:50 p.m.

Vote: Motion Passed - Unanimous