

Fountain Hills Community Association
Board of Directors Meeting
August 1, 2019

The Board of Directors of Fountain Hills Community Association held a Board of Directors Meeting at the Upcounty Regional Services Center on Thursday, August 1, 2019 at 7:30 p.m.

Board Members Present:

Harry Matchett, President
Sherry Lee, Vice President
JoAnn Windsor, Treasurer
Wenhai Liu, Director
Kevin Miller, Director
Bob Fabiszak, Director

Also Present:

Ralph Caudle, Community Manager

Board Members Absent:

Frank Walsh, Secretary

A. CALL TO ORDER

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

B. HOMEOWNERS FORUM

1. Khadra Michaelson of 19004 Noble Oak Drive stated the cost of a replacement pool pass fee should be reduced.
2. Karen Krouse of 19017 Noble Oak thought the replacement pool pass fee was too high. She said that she never received the electronic pool passes that were plastic. She did receive the annual 10 visitor paper guest pass. The last pool passes she received for her family were yellow paper pool passes.
3. Shailesh Jhugroo of 18825 Sparkling Water Drive Unit J mentioned emails he received in support of reducing the fee for a replacement pool pass. He received the emails in response to his posts on social media. Mr. Jhugroo stated the cost of a replacement pool pass is too high and the cost discriminates against minorities. Mr. Jhugroo's children were present and held up signs.

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C. MINUTES

1. July 18, 2019 Board of Directors Meeting Minutes

MOTION: (Harry Matchett/Sherry Lee) Approve the July 18, 2019 Board of Directors meeting minutes as edited by Sherry Lee and Harry Matchett.

VOTE: Motion Passed – 5 ayes/1 abstention (Kevin Miller)

D. OFFICERS REPORTS

President's Report

Harry Matchett inquired as to the status of the financial statement audit for the fiscal year ended June 30, 2018. Management will follow up with the auditors and provide a status update.

Mr. Matchett stated it has been just two months since the pool fence was replaced. The new fence has significant slack throughout the perimeter of the fence. Many of the fence posts are not straight and the fence posts are leaning to one side or the other. He requested management contact the fence company.

Mr. Matchett requested reimbursement of \$12.08 for the toilet float system he purchased and installed on behalf of Fountain Hills to repair the leaking toilet that Sherry Lee reported a couple of months ago. RSV did not repair it.

MOTION: (Sherry Lee/JoAnn Windsor) To reimburse Harry Matchett for the out of pocket cost of \$12.08 for an Association related expense.

VOTE: Motion Passed – 5 ayes/ 1 nay (Bob Fabiszak)

Treasurer's Report

JoAnn Windsor asked for clarification regarding the requested Montgomery County tree work. There were two requests for the County. One was to cut down the dying trees along Liberty Mill Road and the other was to prune the County trees in the single family section of Fountain Hills. The two MC forms that were received have two different service numbers for tree work. They do not specify exactly what the jobs are to be done.

E. UNFINISHED BUSINESS

MOTION: (Bob Fabiszak/Wenhai Liu) To make the pool pass replacement fee the next agenda item.

MANAGEMENT COMMENT: Management stated the pool pass replacement fee could be addressed under new business, because it could not be addressed under unfinished business.

VOTE: Motion Failed – 3 ayes (Bob Fabiszak, Wenhai Liu, Kevin Miller)/ 3 nays (Sherry Lee, JoAnn Windsor, Harry Matchett)

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1. Curb and Asphalt Repair/Replacement

The Board discussed curb and asphalt repairs. There still is not clarity on the scope of work required and the associated costs.

2. Fountain Maintenance Update

Harry Matchett stated RSV has a recently hired employee servicing both the pool and fountains. The person has prior experience with pool maintenance. There have been a number of different operator error issues with the fountains. On Friday, July 19th, the fountain in the single-family homes was overfilling and the water flooded part of the green and drained onto the street. Mr. Matchett shut off the water supply to the fountain around 6 pm.

On Saturday, July 20th, Mr. Matchett met with the RSV technician servicing the fountains. The RSV technician was to set the timers for all 3 fountains. During Sunday, July 21st, all of the fountains stopped working. The causes were (1) the condominium fountain tripped the electrical circuit breaker, (2) the single-family home fountain lost all of the water in it because the technician did not install the drainplug and (3) the Lake Geneva fountain motor was not wired to the timer correctly.

On Monday, July 22nd, Mr. Matchett contacted Vlade to discuss the issues with the fountains and his thoughts on the operating error issues. Vlade personally came out on Tuesday to straighten out the fountains. There are still issues with the Lake Geneva fountain timer.

F. NEW BUSINESS

1. Tree Removal Proposals

MOTION: (Harry Matchett/Sherry Lee) To approve Brightview for the tree services detailed in their proposal with the following modifications: (1) remove the tree trimming on Lake Placid as the tree is located on the homeowner's property, (2) add stump grinding for the tree on Rising Sun, (3) a total cost of \$6,000 and (4) the Association will use its \$4,500 enhancement credit towards the cost.

VOTE: Motion Passed – Unanimous

2. Pool Pass Replacement Fee

MOTION: (Bob Fabiszak/Sherry Lee) Consider reducing the pool pass replacement fee to \$10 in the next pool mailing effective in 2020 and the Board will monitor and revisit the level of pool pass replacements as a cost to the community.

VOTE: Motion Passed – Unanimous

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3. Review of June 30, 2019 Financials

Harry Matchett stated the Board has done well managing the Association's finances during the fiscal year ended June 30, 2019. The Board has strengthened the balance sheet and financial stability of the Association. However, there are areas in which the Board can make improvements during the new fiscal year.

Mr. Matchett stated when Julie Hoffman was the community manager, he brought to her attention on several occasions instances of the monthly reserve contribution not being transferred from the operating account to the reserve investment account. There is now an approximate \$75,000 disconnect between the reserve investments per the balance sheet and the reserve equity per the balance sheet. There needs to be an immediate transfer from the operating account to the reserve investment account to true up these balances.

The monthly reserve contributions and reserve investment income is not being allocated properly between the general reserve funds, townhouse reserve funds and village reserve funds. There needs to be a reconciliation completed from the last audited financial statement date of June 30, 2017 through the current June 30, 2019 financials.

The June 30, 2019 balance sheet reflects prepaid homeowner assessments of approximately \$46,000. The prepaid homeowner assessments should be in a restricted account as the funds are intended for future periods and not for current expenses. Likewise, there should be restricted funds for an estimate of the costs incurred through June 30, 2019 but the actual payments will take place in the next fiscal year. The prepaid assessments and operating expense payables vary from month to month. Mr. Matchett suggested the Board should transfer \$200,000 from the operating account to a Board restricted account. This could be achieved by utilizing the existing Revere Bank account. The Association would earn 1.35% on the restricted funds as oppose to the 0.05% presently being earned by the operating account.

MOTION: (Harry Matchett/Sherry Lee} To transfer \$200,000 from the operating account to the Revere Bank account. The Revere Bank account will be a Board restricted account.

VOTE: Motion Passed – Unanimous

G. ADJOURNMENT OF THE BOARD MEETING

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

VOTE: Motion Passed – Unanimous