

Fountain Hills Community Association
Board of Directors Meeting
May 7, 2020

The Board of Directors of Fountain Hills Community Association held a Board of Directors Meeting via GoToMeeting on Thursday, May 7, 2020 at 7:30 p.m.

Board Members Present:

Harry Matchett, President
Sherry Lee, Vice President
JoAnn Windsor, Treasurer
Frank Walsh, Secretary
Swee Teo, Director
Nicolm Mahabir, Director

Also Present:

Delphine Matthews, Community Manager
Jason Fisher, COO of IKO Community Management

Board Members Absent:

Hari Donthi, Director

A. CALL TO ORDER

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

B. HOMEOWNERS BUDGET COMMENTS

MOTION: (Frank Walsh/Nicolm Mahabir) To record the Board of Directors meeting.

VOTE: Motion Failed – 2 ayes (Frank Walsh and Nicolm Mahabir) / 3 nays

David Holtzman of 18715 Sparkling Water Drive Unit 302 presented the following comments and questions on the draft budgets.

1. The reserve funds all earn interest based on the same interest rate. Why is the general fund reserve interest increased from \$5,014 to \$11,000?
2. The allocation of lawn maintenance has been 59% to account 6604 general lawn maintenance and 41% to account 16604 townhome lawn maintenance. Why do the current draft budgets allocate 75% to account 6604 general lawn maintenance and 25% to account 16604 townhome lawn maintenance?
3. There has been Board discussions of performing asphalt work. Why isn't the parking lot maintenance of the townhome budget line item increased for the townhome parking lot striping that will be completed with the asphalt work?

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4. There are trash collection fees that are not collected from the townhome owners. These uncollected trash fees should be recovered from the townhome owners.

Harry Matchett stated he would respond to Mr. Holtzman's comments and questions in the same order as they were presented.

1. The reserve interest in the general fund budget has not been adjusted in a couple of years. There is approximately \$500,000 of general fund reserves. The \$11,000 is deemed a reasonable estimate of the anticipated interest earnings on the general fund reserves.
2. The longstanding allocation of 60% to account 6604 general lawn maintenance and 40% to account 16604 townhome lawn maintenance pertains to the lawn mowing services. It was discovered the landscaping contracts over the past few years have included services other than lawn mowing such as mulching, flower installations, etc. which were previously invoiced separately from the lawn maintenance contract and allocated 100% to the general fund. The appropriate allocation based on the aggregate landscape contract is 75% to account 6604 general lawn maintenance and 25% to account 16604 townhome lawn maintenance.
3. Significant asphalt work including striping of the townhome parking spaces is anticipated to be paid from the townhome reserve funds. Therefore, the costs are not included as an operating expense in the townhome supplemental budget.
4. The estimates of uncollectable assessments for the general fund, townhome supplemental funds and village supplemental fund are shown as bad debt expense in each of the respective budgets. The bad debt expense estimates are shown net of estimated recoveries.

John Michaelson of 19004 Noble Oak Drive did not have any comments or questions on the draft budgets.

C. MINUTES

March 5, 2020 Board of Directors Meeting Minutes

MOTION: (Harry Matchett/Sherry Lee) Approve the March 5, 2020 Board of Directors meeting minutes as presented.

VOTE: Motion Passed – 3 ayes/ 1 nay (Nicolm Mahabir)/ 1 abstention (Frank Walsh)

D. UNFINISHED BUSINESS

Use of Surplus Snow Removal Funds from the Townhome and Village Supplemental Budgets

Harry Matchett stated the surplus snow removal funds from the general fund were going to be used for tree services in the common areas. The surplus snow removal funds in the townhome supplemental budget and village supplemental budget could only be used for specific townhome and village costs as defined in the Association's governing documents

MOTION: (Harry Matchett/Sherry Lee) To contribute \$31,800 from the townhome supplemental budget to the townhome reserves and \$7,200 from the village supplemental budget to the village reserves, which represent the surplus snow removal amounts from the respective supplemental budgets.

VOTE: Motion Passed – 3 ayes/ 2 nays (Frank Walsh and Niclom Mahabir)

2021 Budget Approval

MOTION: (Harry Matchett/Sherry Lee) To approve the draft budgets sent to homeowners as the fiscal year 2021 operating budgets. The approved fiscal year 2021 budgets will be posted on the Fountain Hills website with password protection utilizing the same password as was used for the draft budgets.

VOTE: Motion Passed – 4 ayes/ 2 nays (Frank Walsh and Niclom Mahabir)

E. NEW BUSINESS

Accident Repairs

MOTION: (Harry Matchett/Sherry Lee) To approve the Brightview and Gardener's proposals to repair the damaged shrubbery and stone wall in front of the pool house contingent on the vehicle owner's insurance covering 100% of the costs as the vehicle insurance carrier State Farm communicated to management.

VOTE: Motion Passed – 4 ayes/ 2 nays (Frank Walsh and Niclom Mahabir)

Tree Survey Proposal Discussion

Management provided the Board with a community wide tree survey and related proposal. It was noted there were several sections of the community which were not included in the tree survey and proposal. Also, the tree survey and proposal included trees located on Montgomery County property, which are the responsibility of Montgomery County. Management is to incorporate the changes and obtain a revised proposal along with two additional proposals.

F. ADJOURNMENT OF THE BOARD TO EXECUTIVE SESSION

MOTION: (Harry Matchett/Sherry Lee) Adjourn the Board of Directors Meeting to Executive Session at 9:06 p.m.

VOTE: Motion Passed – 5 ayes/ 1 nay (Frank Walsh)

G. RESULTS OF THE EXECUTIVE SESSION

The Board discussed matters related to collection of delinquent accounts and took action to temporarily suspend late fee charges in response to the COVID-19 pandemic.

H. ADJOURNMENT OF EXECUTIVE SESSION

MOTION: (Harry Matchett/Sherry Lee) Adjourn the Executive Session at 9:30 p.m.

VOTE: Motion Passed – Unanimous