

Fountain Hills Community Association

Board of Directors Meeting

May 4, 2023

The Board of Directors of Fountain Hills Community Association held a Virtual Board of Directors Meeting on Thursday, May 4, 2023 at 7:30 p.m.

Board Members Present:

Patrick Broderick
Jeff Chai
Jeff Green
Grant Izmirlian
Hoshang Rateshtari
Clay Vaughan
Frank Walsh (8:00 p.m.)

Management Present:

Delphine Matthews, Senior Portfolio Manager

I. CALL TO ORDER

The Board of Directors Meeting was called to order by Jeff Chai at 7:34 p.m. with a quorum of six Directors present, Frank Walsh arriving at 8:00 p.m.

II. PREVIOUS MEETING MINUTES

The Board of Directors had received draft minutes of the April 6, 2023 meetings. Clay Vaughan identified an error in attribution. **Jeff Chai made a motion to approve the April 6, 2023 minutes with the correction, which was seconded by Jeff Green and Grant Izmirlian. The motion was approved six to zero with no abstentions.**

III. OFFICER REPORTS

No officer reports were presented.

IV. COMMITTEE REPORTS

ARC Committee: The Committee reviewed and approved three requests and noted a possible violation.

Landscape Committee: The model home had previously been planted with annuals; as this will no longer be done, Level Green had provided a proposal on May 3 to restore the bed to turf.

Management will contact the homeowner to discuss the possible restoration or whether the owner would prefer to maintain the bed with florals themselves.

Another proposal to screen electrical boxes from view with fencing at a cost of \$3,850 was also received. Jeff Chai requested all enhancement proposals be assembled for Board review at the June meeting.

Clay Vaughan asked about aeration and over seeding. Delphine Matthews noted a cost to treat 25% of the community was included in the annual contract and the Board could approve the task.

Management was directed to confirm the areas identified by Level Green and the best season to perform the turf treatment.

Enforcement Committee: Several tows occurred and the Committee investigated specific complaints.

Pool Committee: Management and the Committee met with three contractors to develop estimates to replace windows, doors, lighting, mirrors, a fan, fixtures and the bath and shower stalls, and to refresh the lobby area and paint the interior.

V. OLD BUSINESS

A. Pet Waste Stations

The contractor continues to report excess waste in the stations and recommends increasing frequency of service. The Association is currently on a Montgomery County wait list requesting four free waste stations, but this will take some months. The Board deliberated whether to install more stations or to increase collection frequency. New stations would cost \$300 each or more, plus installation cost and additional service costs. Increased frequency of collection would raise the annual expense to \$6,550. **After due deliberation, Clay Vaughan made a motion to increase collection frequency to twice weekly at an annual cost of \$6,550, with the service to commence July 1, 2023. Jeff Chai seconded the motion which carried six to zero with one abstention (Frank Walsh).**

VI. NEW BUSINESS

A. Draft 2024 Budget

A draft 2024 budget representing a 10% increase in the general assessments but no increase to the supplemental assessments had been prepared, previously reviewed by the Board and distributed for homeowner commentary. Frank Walsh asked why landscaping costs to the general fund had increased but decreased for the supplemental assessment funds. Delphine Matthews noted the new landscaping service had re-calculated in the contract the cost of services to the townhomes and common area, the change was derived from their calculation. Jeff Chai opened the floor for homeowner questions and commentary.

David Holtzman noted the previous landscaper Brightview had reported measuring the townhome lots to develop the 25% allocation to the townhome supplemental budget. Were the lots measured by the new provider? Delphine Matthews noted the new provider had split the cost of services at management's request per their own formula; the information is available for review if requested. David Holtzman noted the annual trash expense of \$86,255 would not be sustained by the proposed supplemental charge and stated that as some owners do not pay assessments, there would be an additional shortfall. Jeff Green evaluated the supplemental figures and concurred there would be a discrepancy of \$1,500.

David Holtzman stated that pet waste could be defined as "domestic trash" and therefore should not be included as a general fund expense, noting that the Condominium has its own pet waste collection system. Grant Izmirlian noted that no condominium owners are prohibited from using the common area waste stations; Jeff Green observed that Association counsel had addressed this question previously, recorded in the April 2023 minutes.

David Holtzman questioned the equity of a 10% general assessment increase without a correlating increase to the supplemental assessments. Delphine Matthews replied the supplemental assessments had been increased over the past three years. Jeff Green noted the supplemental

assessments sustain discreet costs. David Holtzman stated he would continue to monitor this as there is a perception that costs are not fairly distributed.

Brent Walker said that previous increases had been less than 10% and likely too low. The increase would bring parity to the coming year. He inquired whether the increase would continue or if a stabilization is anticipated in the future. Jeff Green replied the supplemental assessments had stabilized with the past increases, but the general fund increase is necessary to sustain the reserves during this inflationary period. The Board hopes to find an equilibrium point. Brent Walker observed he had seen improvements within the community and is hopeful that proper maintenance will prevent higher future expenses.

JoAnn Windsor expressed concern that the general fund increased by 10% for consecutive years. She stated the pool expense of \$129,000 is high and she feels the pool is underutilized. She inquired about the \$28,000 landscaping expense increase. Delphine Matthews noted this was an adjustment made to properly align the townhome and common areas landscaping costs.

JoAnn Windsor asked about the \$3,250 annual CCOC fee; this is a non-optional cost which the County raised for the coming fiscal year. She asked whether the \$1,700 social budget was necessary; the Board encouraged her to volunteer with social events. She queried why the Association should restore the model home turf; Clay Vaughan replied returning the lot in good condition is proper stewardship following the history. JoAnn Windsor stated not all tasks need be performed at once. She asked about pruning street trees in the single-family homes; Clay Vaughan noted these trees are maintained by Montgomery County and a request has been made, placing the Association on the County's tree maintenance wait list.

Frank Walsh asked whether the letter from Association counsel had been provided to the Condominium Board. Management noted the letter had not yet been sent as the Condominium attorney indicated another inquiry would be forthcoming, and counsel intended to provide all answers in one letter.

Jeff Chai made a motion to adopt the proposed 2024 budget with two amendments, to increase the pet waste expense to \$6,550 annually and to adjust the supplemental trash assessment to sustain the annual cost. Jeff Green seconded the motion which was approved six to one (Frank Walsh) with no abstentions.

B. Pool Repairs

Per Winkler, a pool pump replaced two years ago has failed due the plastic impeller. Two proposals were presented, an impeller replacement for \$2,995 and a higher quality pump replacement for \$13,920. The repair was anticipated to last two to three years, the replacement provides a one-year warranty ad estimated seven- to ten-year component life. Either proposal could be funded from the reserve as a replacement of a major component. The Directors considered the factors of each proposal: cost, durability and availability of parts. **Frank Walsh made a motion to replace the impeller at a cost of \$2,995. Jeff Green seconded the motion which failed two to five with no abstentions.**

Jeff Chai made a motion to replace the pump at a cost of \$13,920. The motion was seconded by Jeff Green and carried six to one (Frank Walsh) with no abstentions.

C. Community Fountain Repairs

The fountains continue to be vandalized and the lighting is not working properly, along with some of the flows. Waterworks presented several proposals to repair and add tamper-proof mechanisms to

the fountains. Questions arose regarding levelling the bowls, the labor cost to remove the lights and the cost of the tamper-proof mechanisms. The Board expressed concerns that vandals have not been caught as well as concerns regarding the contractor's proposals. Management was directed to voice the Board concerns to the contractor and to research new providers for the service contract which terminates at the end of the 2023 season. Management will also reach out to PEPCO to determine whether the electrical panels could be locked. The Board resolved to repair the auto-fills but requested a proper proposal be obtained from Waterworks. Further action was tabled until the next meeting.

VII. HOMEOWNER FORUM

Jeff Green inquired as to the status of the reserve analyst's response. Management is completing a form which will be returned to the analyst, thereafter a site visit will be scheduled.

JoAnn Windsor asked about the total delinquency amount. The Treasurer will begin reporting this amount monthly under officer reports.

Frank Walsh recommended the Pool Committee convene to discuss drinking fountains.

IX. ADJOURNMENT

Jeff Chai motioned to adjourn the meeting at 9:27 p.m. The motion was seconded by Clay Vaughan and approved seven to zero with no abstentions.

Respectfully Submitted, *Marcy Grove*