

**NEW MARK COMMONS HOMES ASSOCIATION
SPECIAL BOARD OF DIRECTORS MEETING
CONFERENCE CALL
WEDNESDAY, NOVEMBER 16, 2016 @ 3 PM.**

ATTENDEES:

Board members: John Hansman, John Daroff, Ellen Stein, Dorie Mangan, Magnus Turesson and Administrator Jim Denny.

Board members absent: Alex Manolatos, John Brown

Residents: Judy Rudolph, David Schwartzman, Sharon Wall, Stan Sirotkin

John Hansman called the Special Board of Directors' meeting to order at 3:05 PM.

The topic of discussion was when should the Board adopt the 2017 proposed budget presented at November 3, 2016, Board meeting. The proposed budget would require a dues increase greater than the Consumer Price Index (CPI) for the period September 2015 to September 2016. The Board's authority to increase the dues more than the CPI is the subject of pending complaint #53-16, Berman vs. New Mark Commons Homes Association, currently before the Montgomery County Commission on Common Ownership Communities (CCOC). The question is: should the Board adopted the proposed 2017 budget now, effective January 1, 2017 or wait until a decision is given by the CCOC.

John Hansman mentioned the decision is not expected until February 2017. He would like to proceed with adoption of the 2017 budget. If approved, it would still be possible to issue the January 1, 2017 dues invoice with the same rate as 2016 and invoice the 2017 increase in total on the May 1, 2017 invoice.

John Daroff told the board our attorney recommends we should wait until the CCOC ruling before approving the budget. If the CCOC rules against NMC, we would have significant accounts receivable problems. John Daroff recommends we adopt a 2017 budget at 2016 levels. If we prevail with the CCCO and there is not an appeal, the larger 2017 could be revisited and a special billing cycle could make up the difference.

Ellen agreed with John Daroff's proposal. Magnus asked would it be possible to fund the assistant administrator position in the 2016 budget?

Dorie agreed we should wait until we receive a decision from the CCOC. She asked would it be possible to have three billing cycles? David Schwartzman asked what the cost would be for an additional billing cycle. Jim said approximately \$200 in postage and a couple of days to prepare and mail the invoices.

Magnus asked if is possible to borrow from the reserve fund to make up a deficit in the operating budget. John Hansman replied it is possible in an emergency but that is not applicable to this situation.

After discussion, John Hansman made a motion that the Board of Directors defer approval of the 2017 proposed budget until a decision in CCOC case #53-16, Berman vs. NMC is received. John Daroff seconded the motion, which was passed by a vote of four in favor and one opposed. John Daroff, Dorie Mangan, Ellen Stein and Magnus Turesson voted in favor of the motion. John Hansman opposed the motion.

The Board will continue the 2017 budget discussion at the December 1, 2016 monthly meeting.