

# NEW MARK COMMONS HOMES ASSOCIATION

## BOARD OF DIRECTORS MEETING

Thursday, May 7, 2020

Conducted via Webex 7:00 p.m.

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Minutes Taken by Shireen Ambush

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### Attendees

**Board Members:** Alex Belida, Joe Jordan, Kathleen Moran, Karin Boychyn, Ron Tipton, Zoe Wood and Laura Berthiaume

**Abaris Community Management:** Shireen Ambush, Henry Leung and Glen Charles

### 1. Call to Order

Kathleen Moran called the meeting to order at 7:08 p.m.

### 2. Community Forum 1 and Board Response

Debbie Mesmer inquired about the number of COVID-19 deaths at the Potomac Valley Nursing home and commented on her observations of a lack of social distancing by people walking around the lake. The path is not wide enough for people to pass each other and keep a safe distance. Laura Berthiaume advised that all staff at the Nursing Home have been tested but we do not know the exact number of deaths. Kathleen Moran advised that we could send out an email blast with this reminder.

Pat Reber commented that a mini newsletter was put out yesterday and included reminders about social distancing. She was concerned about unleashed dogs being allowed to walk around the lake and noted one dog that broke loose killed a baby gosling.

Zoe Wood commented about her observations of kids congregating and playing outdoors.

### 3. Agenda and Prior Meeting Minutes

**Board Meeting Agenda 5-7-20:** The Board added the 2019 draft audit report and concrete vandalism incident to the agenda. Joe Jordan moved to adopt the agenda. The motion was seconded by Alex Belida and carried unanimously.

**Board Meeting Minutes 3-5-20:** Karin Boychyn moved to approve the minutes as amended. Ron Tipton seconded the motion which carried unanimously.

### 4. Appeals

- The appeal for the front door violation at 850 New Mark Esplanade has been rescheduled to take place at the virtual June Board meeting. The homeowner will be notified and asked to confirm attendance.

## **5. Hearing**

None

### **Committee Reports**

#### **Architectural Control Committee (ACC) –**

Kathleen Moran reported that the Committee has met twice via teleconference and several approvals were issued. Homeowners are actively doing work and submitting for ACC approval.

#### **Communications Committee –**

Alex Belida thanked members of the committee and community for the special photos submitted for the mini newsletter which were great! The Committee is requesting Board approval to reduce the advertising cost by offering a 1/3 discount. Alex Belida moved to approve the Committee's recommendation. The motion was seconded by Zoe Wood and carried unanimously.

#### **Landscape Committee –**

Ron Tipton reported that the community clean-up was canceled due to the COVID-19 Pandemic and the weather was also not good. Residents were encouraged to perform their own clean-up of areas that need it. The Committee met on April 21<sup>st</sup> and discussed three sites of high-profile areas in need of enhancement totaling \$8175 in the proposal from AW Landscapes. (Note: this is an additional \$8,175 to be used in addition to the \$5,000 approved in the previous month – for a total of \$13,175 to support three planting projects.) Some needed tree pruning work was authorized and performed. Several other items in the proposal were deferred due to budgetary constraints and low priority. It was requested that S&P Tree grind the tree stumps in the 200 block of New Mark Esplanade the next time the crew is on site. Alex Belida noted for the record that once again the community was spending money for landscaping and trees in the townhouse areas that detached homeowners pay for themselves. Ron Tipton moved to approve the items in AW Landscapes' proposal totaling \$8175 for enhancements in three areas of high priority. The motion was seconded by Karin Boychyn and carried with 6 votes in favor and 1 opposing vote from Joe Jordan.

Kathleen Moran commented on the bus stop area at the corner of New Mark Esplanade and Welwyn Way which is bare dirt and highly visible. AW Landscapes provided a reasonable proposal to establish grass in the area for a cost of \$850. Kathleen made a motion to accept the proposal which was seconded by Alex Belida and carried unanimously.

Ron Tipton discussed authorization for additional tree work. The Committee recently approved a total of \$2300 in tree pruning and removal that needed to be done. Joe Jordan expressed his opinion against allowing any Committee the authority to spend funds without Board approval. Alex Belida commented that no Committee has ever been granted authority to spend money. The Board can approve any emergency tree work via email. Shireen Ambush commented on Abaris Realty's spending authority in the management contract and offered suggestions based on how other communities operate.

The Board reviewed the proposal from S&P Tree for \$950 for various tree work. Kathleen Moran moved to approve the proposal which was seconded by Zoe Wood and carried unanimously.

Zoe Wood inquired about an email from Jill Herzog regarding tree removals. Kathleen Moran advised that she has spoken with this resident and the Committee is working on assessing the trees.

### **Pool Committee –**

Joe Jordan reported that we are on the subcontractor's list for the new white coat. There have been delays caused by weather and the COVID-19 Pandemic. The white coat installation is a 4-day job. Abaris sent letters to 45 outside members from last year inquiring about this year's renewal. A total of 31 have registered and paid so far. We may need to issue them pro-rated refunds if the pool cannot open on time. We need a new umbrella over the baby pool. A proposal is forthcoming from Pool Personnel. Shireen Ambush explained that most pool companies have agreed to credit the community back for any unused lifeguard hours due to delays in the pools opening. The Board has the discretion to extend the pool season past Labor Day if the County permits pools to open.

### **Governance Committee –**

Joe Jordan reported that the Committee did not meet last month and is down to 3 members. The Association's legal counsel, Brian Bichy recently announced that his firm, Linowes & Blocher is dissolving and he is moving to another firm. Joe requested that Abaris provide him with the invoices paid to Linowes so far for the governance work. It was also suggested that a teleconference be scheduled with Brian to find out if he will still honor the flat fee quote for redrafting of the governing documents. There are currently 2 empty seats on the Committee and the Committee needs a Chairperson. Alex Belida suggested it might be time to consider dissolving the Committee and having the governance matters reverted to the Board since 2 out of 3 Committee members are Board members. Joe Jordan suggested to keep the Committee intact and they will continue working on the governing documents. Laura Berthiaume concurred and advised that the Committee will meet in the coming weeks.

**Welcome/Social Committee –** Karin Boychyn reported that the Welcome Committee has greeted a few new residents upon being notified by Abaris when a house has been sold. The Committee will also help organize the 4<sup>th</sup> of July party in hopes that we will be able to have it this year in light of the Pandemic.

**City of Rockville Update –** Janet Kelly was present on behalf of the City of Rockville. She advised that our request for financial assistance for lake dredging is under the City's review and representatives will be reaching out for more information in order to issue a response. Janet also announced a Human Rights Multi-Media Contest for children that the City is promoting.

## **6. Treasurer's Report**

Karin Boychyn's Treasurer's report is an attachment to the minutes of this meeting.

Karin also commented on the draft 2019 Audit report just received from Goldklang Group which confirmed a year-end surplus of roughly \$70,000 due to the loan repayment not starting until May 2019. The audit also revealed good collections and suggested that the Reserve Study is updated soon. The audit also recommended that the Board pass a deferred assessment resolution. Karin requested a meeting with Abaris CFO, Tom Kunjoo to go over the draft audit in detail and suggested deferring acceptance of the draft audit until the next meeting.

Kathleen Moran moved that the Association does not assess late fees on any accounts for the months of June and July 2020 due to the Pandemic. The motion was seconded by Karin Boychyn and carried unanimously. Ron Tipton suggested that we be very conservative in our spending in order to avoid any increase in the fees

next year. Alex Belida pointed out the provision in the current governing documents that requires the Board to increase fees every year. Perhaps consideration should be given for a one-time amendment to do away with this provision.

## **Management Report**

Shireen Ambush presented the Management Report from Abaris:

A. **Master Insurance Policy Renewal-** The Board reviewed the proposal from HMS Insurance for the master policy renewal. Alex Belida moved to approve the renewal which was seconded by Karin Boychyn and carried unanimously.

B. **Tennis Courts Can Reopen per Governor's Order** – Shireen Ambush announced that the lock and chains will be removed from the tennis courts so they can be used by residents per the Governor's Order that went into effect at 7 am today. The Board agreed to leave the basketball hoop off for now as we do not want to encourage any organized play.

## **7. Old Business**

A. None

## **8. New Business**

A. **Vandalism to New Concrete** – The Board discussed the newly poured concrete sidewalk in the 300 block of New Mark Esplanade that was vandalized with foot prints in one location and names/initials carved in another location. Residents reported that the foot prints were from a deliver driver who did not realize the concrete was wet and accidentally stepped in it. The names/initials were carved into the new concrete by residents of 326 New Mark Esplanade. The concrete contractor had to return to restore the damages and the owner of 326 New Mark Esplanade will be assessed the cost for the vandalism they were responsible for.

## **9. Community Forum 2**

A. None

## **10. Executive Session**

A. Zoe Wood moved to go into executive session for the purpose of discussing homeowner fee accounts. The motion was seconded by Laura Berthiaume and carried unanimously.

## **11. Adjournment**

Joe Jordan made a motion to adjourn the meeting. Alex Belida seconded and the motion which carried unanimously. Meeting adjourned at 9:15 p.m.

## Treasurer's Report

For the May meeting we are looking at the statements of 31 March 2020. We have over \$1,000,000 in the bank and we have a loan balance of \$665,086.90.

Year to date revenues are pretty much on budget but we do have so requests for payment plans. On the expense side, I will divide it up in our main categories:

Administration: we are slightly over budget due to postage and printing

Utilities: we are almost \$3000 under budget but that might just be timing of the bills

Contracted services: we are \$18000 under budget which is mainly due to no snow removal but one big storm in November could take care of that.

Maintenance Repairs: we are almost \$12,000 under budget but Pool and trees are pretty constant costs in our neighborhood.

Personnel services: we are \$1100 under budget but I would say that is mostly timing

Insurance, taxes and licenses: we are also \$12,000 under budget but these are mostly set prices paid over the year

Replacement reserves: These are the amounts we agreed to for the reserves account, so we are right on budget.

So to summarize I think we are in a pretty good position we need to keep an eye on our paper mailings, they are expensive and we don't know how many people pay attention to them, legal costs especially with Brian moving to another firm and the needed work on the governance documents. I think we need to be pro-active on the tree maintenance but need to be careful not to spend too much.

I also would like to look at the replacement reserves \$s:

If we take the loan into account, we have about \$480,000 in our reserves and to link that directly to the audit of 2019 in which the auditors confirmed that we spend almost \$70,000 less than budgeted in our operating fund. This is mainly due to the loan payment. We only started paying back the loan in May and we budget for the full year. I would like to discuss this with the auditors but in light of COVID 19 I would like to propose to move this amount to the operating budget of 2020 to ensure we can pay all our operating expenses and that we do not have to increase our fees in 2021. We would do the same in 2021.

Couple of notes from the audit:

- We (Abaris) is doing a great job in paying our assessments (collecting the fees). They noted that we have good collection procedures
- They made some recommendation to our budget procedures and we will take those into account
- It is recommended to do a new reserve study so we will take that into consideration and see if we have budget for that.
- Auditors recommended to pass the deferred assessment resolution to reduce our low tax burden but that too I would like to discuss before I make a motion.

So, with that I propose that we meet with Abaris and refer any questions to the auditors if needed so we can vote to approve the audit at the next meeting.

Notes:

**Unappropriated Members' Equity:** prior years' owners' equity: UME can be used for any operating fund deficits or for capital projects (this should be between 10 to 20% of the HOA's budget)

**Contingency reserve:** extra funds to cover deficits. This is a budget tool