

Fallsreach Homeowner's Association

Annual Meeting Minutes

November 14, 2010

Potomac Community Center

1. Call to Order

The meeting was called to order by Fallsreach HOA President Louis Levy at 6:40 pm.

2. Minutes

The 2009 annual minutes were approved with no amendments.

3. Officer Reports

3.1 President's Report

Mr. Levy discussed the budgetary impact of the year's snowstorms, noting the high costs for snow removal from the townhouse area and removal of fallen trees and other debris throughout the community.

Mr. Levy also noted that the Montgomery County Department of Environmental Protection had been surveying the common areas and placing ribbons around trees as part of their project to restore the storm water management area. He reported that the restoration project was required to address serious erosion issues along the stream running through the community, as well as other county-wide environmental issues relating to storm water management issues. He also noted that the County had indicated that it would present the community with a storm water management restoration plan within the coming year.

Mr. Levy then reported on efforts to get the County to repair and repave community streets, noting that although some limited repairs had been made, the streets were still sorely in need of a complete repaving. He added that the HOA would continue to keep pressure on the County so that this issue is addressed.

Mr. Levy then discussed the value of the community listserv, and urged all attendees to utilize it in order to enhance communications within the Fallsreach community.

In conclusion, Mr. Levy said that, weather permitting, he hoped that the HOA would be able to avoid the costs of extensive snow removal and related repairs in the coming year. He also urged all residents to continue their efforts to keep the community looking good by picking up trash and cleaning up after their dogs.

3.2 Treasurer's Report

HOA Treasurer Ken Becker amplified Mr. Levy's remarks regarding the extensive costs incurred due to the severe winter storms of the past year, noting specifically that the expenses for snow removal (\$21,537) exceeded the budgeted amount (\$12,000) by nearly 75 percent. He also reported that the costs for non-contract grounds work (\$38,000) exceeded the amount budgeted for such work by \$11,000 due to storm damage. As a result, the expected budget surplus did not materialize.

Mr. Becker also reported that cash reserves are currently in Merrill Lynch and Smith Barney money market accounts. To the extent rates improve, he added, these funds will be put back into CDs, as the HOA has done in the past.

He then discussed the results of the recent reserve study update, noting that, while the General Fund was adequately funded, the Townhouse Fund was under-funded. Anticipating the costs for major Townhouse infrastructure projects, including repaving and replacement of the lighting system, he stated that there was a need to increase the amount of reserves in the Townhouse Fund, and thus recommended an increase of Townhouse dues by ten percent, the maximum amount permitted by the HOA's by-laws without a general membership vote. Because the General Fund was adequately funded, he reported that the Board recommended a dues increase for single family homes of only 2.5 percent. Notwithstanding these increases, Mr. Becker added that the dues for Fallsreach HOA members was competitive with, and in fact less than, dues paid by members of other communities in the area. The rate increases were subsequently approved.

Mr. Becker then responded to questions regarding dues payments, differences between the Townhouse Fund and General Fund, and dues delinquencies. Regarding delinquencies, Mr. Becker noted that the total outstanding for the HOA was between \$6,000 and \$7,000, which is low compared to other communities.

3.3 Architectural and Environmental Control Committee

Mr. Becker, chairman of the HOA's Architectural and Environmental Committee, reported on the activities of that committee in the past year. He stated that the committee had received 18 applications for various improvements to homeowner properties over the past year.

Responding to a question, Mr. Becker also reviewed the criteria used to review applications submitted to the committee.

Mr. Becker then asked the community to keep the committee and the Board informed of any damage to property or the common area that is observed in the community.

Mr. Levy then asked meeting participants to join him in thanking Mr. Becker for his many years service to the Community.

4. Elections

Lou Levy, Dave McWhorter and Jonathan Forest were all re-elected to the Board.

5. New Business

A final question was raised regarding the removal and/or abandonment of oil tanks from the property of individual community members. The question was prompted by concern about compliance with environmental regulations and the relationship of that compliance to the sale of a property.

Mr. Becker and Mr. Levy noted that the ultimate responsibility for this issue rested with the individual homeowners. With this understanding, several members of the HOA volunteered to investigate this issue further.

6. Adjournment

The meeting was adjourned at 7:50 pm.