

FAIRFAX CLUB ESTATES HOA
MONTHLY MINUTES
December 21, 2016, 7:30 – 9:00 p.m.
FCE HOA President's residence

- I. Call to Order
- II. Verification of Quorum

Attendees: Chris Jewett (President), Dave Hardin (Treasurer), Marshall Chapman (Common Grounds), John Korb (Webmaster)

Board Members not in attendance: Paul Trkula (Vice President), Mike Krzykowski (Tennis) Bernard Lessard (ARB), Dave McGraw (Member at Large), Angela Brown (Secretary)

Proxies passed: Bernard Lessard (proxy to the President), Angela Brown (proxy to the President)

Quorum present – by virtue of proxies passed

- III. Old Business

1. Pool Management and Swim team: A full review of the pool management contract remains ongoing. Specific areas of community concern are being collected and vetted to identify opportunities for improvement for the 2017 season. Actionable items will be identified to the pool management company in the March/April time frame for implementation at the start of the 2017 season.

The president and the swim team representative are planning to meet over the holiday season.

2. Audit: Following a comprehensive conversation with the association's auditor, the president believed it was in the best interest to commission a second audit of the association's financial statements for the 2016 fiscal year. After reviewing the auditor's preparation of the association's tax filings, the president did not take issue with the content of those filings. As a result, the tax filings were made in a timely manner in November 2016 and the two parties (president and auditor) agreed to a reduced fee for the audit and tax work.

The president solicited the association's previous auditor (Goldklang Group CPAs) to conduct a second audit of the association's 2016 financial statements. Through negotiations, the association was able to secure their services for a reduced fee from what the association was previously charged for similar services. The board members in attendance approved

moving forward with a second audit of the association's 2016 financial statements and retaining the Goldklang Group on a multi-year basis to provide more consistency to audit costs and financial governance procedures. Overall, the change in auditor will result in an increased audit fee in the 2017 fiscal year.

3. Insurance: The board members in attendance approved adjustment to the current insurance policy with Nationwide insurance for the following amounts:
 - i. Pool House Value including pool equipment – itemized values used for all pool house real and personal property (equipment). This action brings the insurable amounts in line with comparable elements found in the association's reserve study. An inflation factor of 2% per annum was used to bring 2012 reserve study amounts forward to 2016.
 - ii. Deductible amount for property damage (currently \$250) – deductible was increased to \$1,000. This resulted in nominal savings for the property and casualty portion of the insurance policy.
 - iii. Fidelity Bond (insider crime) insurance value (currently \$50,000) – increased to \$250,000 to ensure statutory coverage levels for both the operating and reserve account balances are sufficiently insured.
 - iv. Director's & Officer's coverage (currently \$1,000) – increased to \$1,000,000 to provide appropriate coverage for any non-monetary claims against the HOA. The total cost for this component of the insurance policy represents 1% of the total insurance value and is negligible in the overall scope of the association's budget.

The overall cost of the association's insurance policy following these adjustments increased \$24 from the budgeted amount.

4. FCE e-mail list: Consolidation of the FCE community email list was completed on October 30th 2016.

IV. New Business

1. Budgeting Process: The president presented the board with enhanced budgeting tools which leverage 9 years of budgeted and actual values. These tools will assist the board with historical trend analysis and increase the rigor of the budgeting process. By better understanding historical factors in the execution of the association's activities, the board is better positioned to evaluate alternatives between increasing revenues and/or decreasing expenditures.

A proposed Fiscal Year 2017 budget was presented to the board using a combination of 9 year average data and regression analysis. Board members will have until the January association meeting to scrutinize the proposed budget and underlying trend data in anticipation of a January 25, 2017 board vote to approve a budget for the 2017 fiscal year.

The president also presented financial projections for increasing summer memberships through a referral discount program. This program would be open to all resident and returning associate/summer members. Increased summer membership would allow the association to keep homeowner and non-owner fees constant or potentially reduce these fees in the future.

2. Capital Improvements: The board is currently considering three capital projects. Each of the following projects individually and collectively are less than the association's current year reserve commitment:
 - i. Entrance Sign Replacement – following multiple years of research and regulatory approval, the board finally received concurrence to proceed with replacement of the FCE community sign at Adare and Ox Road. Replacement of the sign is required due to potential failure of the current sign.
 - ii. Epoxy floors for the pool house – to remediate cleanliness and safety concerns with the bathrooms/hallways in the pool house, the board solicited quote(s) for epoxy quartz flooring which is the current commercial standard for potentially wet, indoor surfaces. Installation of this flooring will allow for daily cleaning of the pool bathrooms and elimination of the blue tile flooring which currently contributes to cleanliness issues.
 - iii. Expansion of pool area – the board solicited quote(s) to extend the pool fence north of the pool toward John Ayres Drive and west toward Snowy Owl Dr. Integrating this available grassy area brings the FCE pool into alignment with other area pools which have grassy areas within the pool fence. The board confirmed with the FCE grounds maintenance vendor that this project would not result in any additional grounds maintenance costs or interfere with current grounds maintenance procedures.
 3. Grounds Maintenance Contract Renewal: The FCE grounds maintenance contract was renewed for an additional three year period without a significant increase in cost. The overall increase in fees through calendar year 2019 is less than 6% (base year of current contract was 2012).
- V. Next Board Meeting: Jan 25th 2017 – See Fairfax Club Estates website for specific time/location details.
1. All homeowners and associate/summer members welcome