

Hearthstone of Ellicott Mills Condominium Association
Board Meeting Minutes

18 January 2023 at 6:30 PM (at the Club House and via Zoom)

Attendees

Board: Cheryl Blanco, President John DuVall, Vice President Rick Rosen, Treasurer
Shiva Saberi, Secretary (via Zoom) Stephenie Marra, Member at Large

Owners and Guests: Bill Robinson (via Zoom) Kevin Walls (via Zoom)
Sue McDorman Lorraine Johnson John Sheehy, Property Manager, FREM

Call to Order

President Cheryl Blanco called the meeting to order at 6:40 PM.

This meeting is being conducted at the Club House and via Zoom video conferencing for those members who cannot attend in person. All Community members were invited to this meeting and were provided with the sign in information for the Zoom meeting. The Board Secretary records this meeting for transcription purposes. This recording will be deleted after the minutes are approved. Other recordings are not allowed.

Announcements

A reminder that the Board needs volunteers for our upcoming elections in February. As of this meeting, we have not received any nominee forms. Cheryl emailed the information and the election package to residents on January 16, 2023. John Sheehy will also email the election documents to owners about a week prior to the Community Annual meeting.

Approval of Minutes

The draft minutes of the 15 November 2022 Board meeting have been reviewed and were sent to the Community prior to today's meeting for review and comment. The Board approved the minutes without revisions.

Reports

Financial – Rick Rosen

Category	Item	Description / Status
New	Current Financial Status	<ul style="list-style-type: none">• The Treasurer reported that the financial statements from FREM for the month of December are in line with the budget and include \$117K in our Money Market account, \$38,763 in the Operating checking account, and \$444,460 in the Reserve account. We have contributed \$34,860 to the Reserves and ended the year with an \$800 budget surplus.• Expenses paid out of Maintenance Funds in 2022 include \$3,961 for roof maintenance and repairs; \$4,777

Category	Item	Description / Status
		<p>for leveling multiple sidewalk areas to remove tripping hazards and make other repairs; and \$1,000 for asphalt repair on WG and ES.</p> <ul style="list-style-type: none"> • Expenses paid out of Reserve Funds in 2022 include \$14,500 to rebuild 6 storm water drain inlets and \$3,245 to dredge an area of the stormwater pond and seed an overflow area. • Updates and revisions to the draft Reserve Study report will be sent to us soon. • Rick finalized actions on the maturing CDs. • Rick moved to use \$50K from the money market account to purchase a 12-month CD for better earnings. The Board approved the motion. • The Board approved the Treasurer’s report appended to these minutes.

Architectural – Cheryl Blanco

Category	Item	Description / Status
New	None	None
Old	Deck Repair	Deck repairs at 4916 WG (Blanco) have not been finished due to weather conditions. Once completed, the work will be inspected for required compliance with Community guidelines.

Social – Stephenie Marra

Category	Item	Description / Status
New	Club House	Two private parties used the Club House— one in late December and the second in January.

Secretary – Shiva Saberi

Category	Item	Description / Status
New	Website	The October Board Meeting minutes are posted on the website. Cheryl noted that we would like to publish the <i>Bylaws</i> and the <i>Maryland Condominium Act</i> on the website if they aren’t too large. Shiva will ask Jack Kenner, our webmaster, to advise the Board on purchasing an account to increase the site’s capacity.
New	Board Meeting Minutes	Shiva will send the approved November Board meeting minutes to the Community, and they will be posted on our website.

Maintenance and Landscape – John DuVall

Category	Item	Description / Status
Old	Storm Water Pond	CGM completed removal of algae growth on the rocks. John Slater, HOCO Dept. of Public Works, inspected the site and was pleased with the work.
Old	Landscape	John D. is working with CGM on an estimate to replace a dead tree that was removed on the south berm of Water Grove Lane. It's not clear yet how many additional trees are needed in that area.
Old	Maintenance	Painting of ceiling stains on Evening Sky at 4909 (Miller), 4911 (Saber), and 4921 (Conelius) was completed on November 30 th . Owners are satisfied with the work.
Old	Maintenance	Following recent high winds, Walter Brown repaired roofs at 4916 ES and 4928 WG.
Old	Maintenance	CGM spread salt once prior to an ice event.
Old	Landscaping	CGM trimmed rose bushes recently and will trim selected trees near garages later this month.
New	HOCO Dept. of Public Works	The County inspected our stormwater pond last September in order to put our inspections on the same schedule as EM2's. We received the results in December. The County's letter noted two areas requiring remediation and three issues to monitor. The pond is scheduled for inspection again in March 2023. John DuVall will follow up with John Slater, county regulation supervisor, for clarification of the schedule and the remediation and monitoring requirements.
New	Club House Maintenance	John D is soliciting estimates to paint the interior of the Club House and carpet replacement or cleaning. Stephenie reminded the Board that our priority is painting exteriors.

Property Manager – John Sheehy, FREM

Category	Item	Description / Status
New	FREM	Nothing additional to report.

General Issues – Cheryl Blanco

Category	Item	Description / Status
Old	Reserve Study	Rick reported that final changes were incorporated and only few minor updates are being done; the final report should be delivered soon. Cheryl said that a vote to accept

Category	Item	Description / Status
		the final version will be via email or at the February meeting.
Old	2023 Annual Community Meeting with Elections	Cheryl emailed the election documents to residents on January 16 th . John Sheehy will also send a reminder email. Lorraine Johnson agreed to serve as an election inspector; Cheryl will ask Dottie Conelius to also serve as an inspector.

Open Forum

This section provides an opportunity for non-Board attendees to ask questions, express opinions, or bring attention to subjects for future Board consideration.

Open Forum – Cheryl Blanco

Category	Item	Description / Status
New	Window Well Repair	The owner at 4902 ES (Criste) asked for the Board's assistance in repairing or replacing a window well. The Board discussed whether this is an HOA or an owner responsibility and will review the <i>Bylaws</i> as well as state and county requirements for guidance. John D. will work with FREM to get estimates for this job.
New	Board Election Nominee Submission	Sue McDorman submitted her nomination form to the Board for the February election.

Motions

Motion	Person Making the Motion	Person Seconding the Motion	Status
1. 15 November 2022 Board meeting minutes	Stephenie Marra	John DuVall	Approved unanimously
2. December Treasurer's report	John DuVall	Stephenie Marra	Approved unanimously
3. Move \$50K from the money market account to purchase a 12-month CD.	Rick Rosen	Shiva Saberi	Approved unanimously
4. Adjournment	Rick Rosen	Shiva Saberi	Approved unanimously

Adjourn

- Next HOA Board Meeting: **February 16th at 6:30PM** (*at the Club House & via Zoom*)
- The meeting was adjourned at 7:52 PM.

ADDENDUM A

**Hearthstone of Ellicott Mills
Treasurers Report
December 2022**

Submitted by: Richard Rosen, Treasurer

Report Date: January 18, 2023

The Board received the monthly financial reports from FREM showing income and expenses through December, 2022.

Operating Funds (Checking Acct): \$38,763

Revenue year-to-date: \$116,605 (excludes interest income of \$4,559 or late fees).

Expenses year-to-date (from Operating Funds): \$80,915

Net Surplus: \$35,690

Reserve Funds: \$444,460

Annual Contribution to Reserves: \$34,860

Net Budget Surplus after Transfer to Reserves: \$830

Expenses year-to-date (From Reserves): \$17,745 (see table below)

Major Expense Categories:

Category:	Expense (YTD):	Note:
Road Maintenance	\$1,000	Fill cracks on WG and ES. Paid out of Maintenance account.
Roof Maintenance, incl. new Vent pipes and misc.	\$3,961	Paid from Maintenance account.
Repair concrete sidewalks	\$4,777	Level multiple sidewalk areas to remove tripping hazards and make other repairs. Paid out of Maintenance account.
Storm Water Management Pond Maintenance	\$3,245	Dredge area around inlet by 4915 Evening Sky, removed rocks and clean substrata below rocks, replace rocks, seeding of area adjacent to rocks in overflow area. Paid out of Reserve Funds .
Storm Drains	\$14,500	6 Drains Rebuilt: Paid from Reserve Funds .

Other FY2022 Highlights:

Snow Removal: Budget was \$15,000. Actual spending was 8,562 (Surplus of \$6,438).

2023 Budget: \$12,000.

On-site Maintenance: Budget was \$6,000. Actual spending was \$14,956 (Deficit of \$8,956). We paid for Road crack filling, Roof and Concrete Maintenance totaling \$9,738 out of the Maintenance Operating funds. These could have been considered Reserve expenses.

2023 Budget: \$13,500.

Landscaping (Excl. Contract): Budget: \$9,000. Actual spending was \$2,214 (Surplus of \$6,786).

2023 Budget: \$5,700.

Other Financial Actions:

CD Rollovers: We had four CD's that recently matured totaling about \$194,000. Two were renewed for a 12-month period and two for a 24-month period. The new interest rates are 4.10% for 12-months and 4.15% for 24-months. As a result, our interest income has gone from \$339 to \$782 per month (\$9,384 per year). Two additional CDs totaling about \$79,000 mature in May and June of 2023. We expect very favorable rates for these as well with a likely interest gain of about \$1,500 for the year.

Future Action: We currently have \$137,080 in a Money Market associated with our Reserves. These funds earn less than 1% in interest. We should move \$50,000 of these funds into a 12-month CD. At 4% interest this would yield an additional \$2,000 in annual income. Based on the expected expenditure from the Reserve Study, we should spend less than \$50,000 from Reserves from 2023-2025. Hence, leaving \$87,000 in the Reserve MM should be more than sufficient. In addition, we will be adding \$129,000 to the Reserve over the next three years based on the Reserve Funding plan. So, this is a very low risk high reward action.

Reserve Study:

A Second DRAFT of the Reserve Study has been received. The report incorporates all of the financial changes per our discussion with Reserve Advisors (RA) and some text updates. However, after a detailed review of the text we found a few areas where the text could/should be augmented to better reflect the financial changes that have been made. These are in the areas related to the Catch Basins, Storm Water Pond Maintenance, and Sidewalk Maintenance. Comments have been sent to RA.