



## Minutes of the December 2, 2010 Meeting

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### ➤ Call to Order @ 07:11p by Keith Pulley

- Phil and Jennifer are unavoidably out of town; Keith will read Phil's financial statement
- 14 households were represented by 18 attendees
- Annual Dues increase will be discussed
- A vote will be taken for a new Architecture Compliance officer, replacing Scott Chastain

### ➤ Introduction of New Board of Directors for 2010

Primary responsibilities are the collection of dues and enforcement of the covenants.

- **Chairperson – Keith Pulley**
- **Architecture Compliance – John Schulz**
- **Property Maintenance – George Edler**
- **Legal – Jennifer Sides**
- **Treasurer – Phil Sides**
- **Communications – Bruce McLendon**
- **Social Activities – Anne Levin**

### ➤ Board of Directors Summary

Each officer was asked for highlights from 2010 and any forward-looking statements for 2011

#### ○ **Architecture**

Scott Chastain has relocated to New Jersey as part of accepting a change in position with his employer. As this occurred early in 2010, he has asked to be replaced as a member of the Rock Creek Hills Homeowner's Association. George Edler, speaking on Scott's behalf, noted no violations of the architecture guidelines, regarding painting, colors, and exterior modifications.

George briefly discussed the maintenance of the common area lawn cutting, common area trees, split-rail fences, and the like. Ralph, our contractor, has been cutting the common area lawns for \$150 for the past five years, without asking for an increase. The lawn maintenance schedule will continue on Fridays so the neighborhood will make its best presentation over the weekend. While the county will pick up our leaves, it is up to each homeowner to get them to the curb. Ralph will not be asked to perform this work.

George mentioned that he has a low-level aerial photograph of our neighborhood, clearly showing the small stature of the trees, taken more than 20 years ago.

o **Legal**

Jennifer Sides was unavoidably out-of-town. No report was available either directly or by proxy. The subject of by-laws and their relationship to the covenants was mentioned. The Board indicated that a rough draft of the By-Laws was developed by Jennifer and would be submitted to the HOA members for review next year when a final draft becomes available. A Spring meeting was suggested for further discussion of the By-Laws.

o **Financial**

Phil Sides was unavoidably out-of-town. Keith Pulley received an eMail message from Phil with the details of 2010 expenditures. Bruce McLendon agreed to post that information on the RCHHA web site ([www.rchha.org](http://www.rchha.org)).

In his message to Keith, Phil indicated that he wants to provide greater granularity in the budget and reporting of expenses in 2011. Keith summarized the financial impacts the HOA sustained in 2010 and a discussion of increasing the annual dues ensued, focusing on the need to increase the balance of our reserve funds.

- Cleanup from 2010's wind and storm damage amounted to over \$16,000
- Expenses for 2010 exceeded revenue by more than \$8,000
- Dues received in 2010 amounted to \$6,400
- The RCHHA checkbook balance is currently just above \$8,000
- RCHHA's fiscal year is January 1 through December 31, with dues payable by April 1
- Frank Gallo has volunteered to assist Phil with managing and collecting RCHHA dues

After this presentation, the discussion for increasing the annual dues consumed the bulk of the meeting time. When the neighborhood first acquired its Board of Directors, dues started at \$120 per year. They soon went to \$150 where they've been for 30 years! The dues were increased to \$200 this year, but without a notice or explanation distributed to the homeowners. The delinquency is higher, but little objection was received in writing.

Given the age of the neighborhood and the increasing threat of large, decaying trees, it soon became evident that any storm damage could easily result in thousands of dollars in cost to the RCHHA treasury. Everyone in attendance agreed that our reserve funds need to be increased. The obvious solution is to increase the annual dues.

RCHHA has a budget and we have to make up for the additional incurred expense for tree removal due to storm damage earlier this year. Current estimates can range from \$1,000 to \$10,000 **per tree**, depending on many factors! Sometimes these fees do **not** include the removal of the tree from your property after it's been cut down! Trees on your property are your responsibility.

We agreed to evaluate our 2011 expenses this time next year to determine if dues can be decreased, remain the same, or be increased to cover anticipated and unexpected expenses and to increase our reserve funds. A vote was taken to approve an increase of the annual dues to \$400 per year per household as of January 1, 2011. With a majority of those present, the motion was passed as follows:

**Yay: 11      Nay: 1      Abstain: 2**

A notice of this increase will be sent to all 49 homes via US Postal Mail prior to December 31, 2010 that includes an option to pay \$100 quarterly. The first quarter's payment or the full annual assessment is due by April 1, 2011. If 2011 is like 2008, and 2010 was an anomaly, then our financial status should be sound with collected dues of \$19,600, based on \$400 x 49 homes. As prescribed in the covenants, if the assessment of annual dues becomes delinquent, the Home Owners Association may increase the indebtedness with

interest and the cost of collection which will become a continuing lien upon the lot until paid. Other penalties can include removal from mailing list and web site services.

The RCHHA 2011 budget will be circulated to all RCHHA members in good standing. We can only estimate our liabilities and then add those to our known tree problems. Our Reserve funds needs to be replenished, and now increased for the unknown and bad weather that 2011 may bring, especially if this Winter is anything like that of 2010! The increasing tree expenses introduced a recommendation from the members in attendance that we should research what it would cost for an annual maintenance plan for all HOA trees! This possible expense has not been included in 2011's budget and will be considered during its preparation. This is the reality of HOA fees when we hear reports of \$4900 to remove one tree, and a minimum maintenance of \$1000 per tree!

A member in attendance reported that a tree has fallen on one home and only damaged the roof. That home owner will have to pay for roof repairs as well as tree removal if that tree is on his property. It was pointed out that human nature prevails in this situation. If all is going well, then no one complains. People only pay attention to things when there are problems or issues that affect them.

It was suggested the HOA have annual maintenance of the two stone walls by using a contractor. Some have noticed that trees may be too close to the wall and could compromise its integrity! A vote was taken 30 years ago to make these stone walls the responsibility of the HOA. Again, the RCHHA would need a budget for this! Everyone wants all these services, but is unwilling to recognize that the payment for them is 100% supported by the funds in our account. How far will \$8000 go toward this contract adding to our expenses?

As this discussion was embraced by more of the attendees, it was suggested that an historical recovery of proposals for walls and sidewalks, fences, trees be pursued so that some realistic boundaries could be placed on the needs of the RCHHA households.

Regarding sidewalks, Montgomery County said "You're on the list" for sidewalk maintenance. But given recent market conditions, we're more likely on a "future list". The HOA has to be careful about what they get involved in, both from a legal and a safety viewpoint. This comes to light when deer removal is discussed. We learned that the county's Animal Control division will track, capture, and destroy the animal and that the Humane Society will collect the carcass.

Maggie O'Reilly said she would make a list of things our HOA should do, based on her experience with other HOA, covenants, and Montgomery Country rules.

## **NEW ISSUES**

### **❖ WATER**

Several attendees commented on leaking water fixtures (toilet, sink, tub, faucet) where the problem is seen in the basement as "pin holes" in the copper pipes, with blue-green oxidation. Originally, 30 years ago, the copper pipes were used for electrical grounding and this was believed to be the cause. Have a qualified electrician ("AE Electric" was mentioned) reconnect your electrical ground to an outside connection. WSSC has lowered the mineral content balance in the water system to reduce the likelihood of this recurring. Some small leaks will heal themselves.

You are advised to turn off your water if you're going to be away from home for more than a day. Always check your basement for water on the floor where it doesn't belong, then inspect the pipes in the basement ceiling above the puddles. A service specialist can line the pipes with epoxy to seal all leaks, but this could cost up to \$5,000; which may be less expensive in the long run versus having continuous ceiling and wall repairs!

❖ **PEPCO**

One attendee mentioned that PEPCO can install an electrical device to limit electricity use during peak periods (daytime Summer) to reduce your bill. No one knew if there was any benefit to having this device installed for reducing your bill in the Winter.

❖ **RENTALS**

We've had this discussion before and the covenants are clear: You may rent your *entire home only*, or for business use. Reference was made to Article XIII in the covenants for clarification. Some homeowners have a finished basement that is suitable as a guest room or "mother-in-law room". The unspecified rule is that you can NOT rent any portion of your home to non-relatives. The concern is over additional vehicle traffic through the neighborhood as well as those same vehicles usually parked on the street; because the driveway and garage are used by the homeowner. Additional vehicular traffic also increases the risk of pedestrian and child injuries.

Providing a rental agreement to a prospective tenant requires a Montgomery County permit, inspections, and fees. But no one really ever follows this path. The RCHHA has little recourse for enforcement, other than to impose fines and other restrictions in an effort to effect a change.

We are considering a special exception for military or other government requests to make housing available to military staff when local facilities are at capacity. This would be stated in the by-laws. As previously discussed, the draft of the by-laws will be revisited in 2011 in an effort to bring them to a vote by all RCHHA members.

○ **Communications**

Bruce McLendon stated that the RCHHA web site would be brought current by 12/31/10 to include downloadable copies of RCHHA documentation and public business.

The utility of the "list serv" will be encouraged to be the dominant distribution channel of RCHHA news and requests. A sign-up link will be posted on the RCHHA web site and an eMail announcement sent to the RCHHA distribution. Both communication channels will continue to be used, as their separate purposes become more clearly defined.

His three-year term has now concluded but will continue to discharge the responsibilities of his current position on an annually-renewable informal agreement.

○ **Social Activities**

Anne Levin reported a reasonably successful Memorial Day party in the common area. Anne repeated the need for volunteers at all functions and is uncertain about the number and kind of events to schedule for 2011. She agreed to work with her successor, as soon as someone agrees to replace her.

Her three-year term has now concluded but will continue to discharge the responsibilities of her current position on an annually-renewable informal agreement.

### ➤ Vote Taken for new HOA Architecture Compliance Officer

Keith Pulley opened the floor open to nominations for replacement of Scott Chastain as Architecture Compliance Office. Scott's three-year term cannot be fulfilled as he has permanently relocated to New Jersey. John Schulz was the only nominee (in attendance) and accepted his nomination. He was elected unanimously by show of hands. John is aware that Montgomery County will come in and manage our properties if we don't! And that could be expensive.

### ➤ Homeowner Discussion

Keith Pulley opened the floor for homeowner discussion of any subject of interest. These subjects will be addressed in future private and public Board of Director meetings. The following is a list of the points made:

- It was suggested that a forum be created for submitting proposed covenant changes that would be voted upon for consideration and/or included in the By-Laws, as necessary.
- A homeowner introduced a theme from Takoma Park named, "Air, Trees, and Water Governance". The intent is **not** to inflict damage to or obstruct the flow of these resources throughout our community and to respect these elements of Nature.

### ➤ Adjournment @ 8:40p

It was agreed that the Board of Directors would hold more meetings next year, due to the urgency of anticipated increased expenses for tree removal due to natural causes and storm damage. Some homeowners stayed for brief conversation afterwards. Appreciation was given to Keith for hosting this meeting in his home.

### ➤ Addendum

"Yahoo Groups" was rejected as a mailing list server ("ListServ") for future communications. A one-time private mailing should be enough to solicit HOA members who want printed notices of meetings to be mailed to their homes. Anyone can visit a public library to reference the RCHHA web site for more details and archived documentation.

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