

**Minutes of the
BOARD OF DIRECTORS MEETING
Held: September 28, 2017**

Approved: October 26, 2017

A meeting of the Columbia Association Board of Directors was held on Thursday, September 28, 2017 at Columbia Association headquarters. Present were Chairman Andy Stack and members Dick Boulton, Lin Eagan, Janet Evans, Alan Klein, Milton W. Matthews, Nancy McCord, Ginny Thomas, and Shari Zaret. Also present was CA Vice President/CFO Susan Krabbe.

1. Call to Order: The Board of Directors Meeting was called to order at 7:30 p.m. by Chairman Andy Stack.

2. Entertain a motion to hold a closed meeting of the CA Board of Directors

Action: Ms. McCord moved to hold a closed meeting of the CA Board of Directors under Maryland Homeowners Act, Md. Code, Real Property §11B-111(4)(vi) consideration of the terms or conditions of a business transaction that could adversely affect the economic interests of the homeowners association. Ms. Zaret seconded the motion, which passed unanimously. Vote: 8-0-0

3. Closed meeting

The CA Board of Directors held a closed meeting from 7:02-7:48 p.m.

When the meeting reopened, members present were Chairman Andy Stack and members Dick Boulton, Lin Eagan, Janet Evans, Alan Klein, Milton W. Matthews, Nancy McCord, Gregg Schwind, Ginny Thomas, and Shari Zaret. Also present were CA Vice President/CFO Susan Krabbe, General Counsel Sheri Fanaroff, and Department Director Jane Dembner.

4. Read the Five Civility Principles

Mr. Stack read CA's Civility Principles: 1) speak kindly, don't speak ill; 2) accept and give constructive criticism; 3) apologize earnestly, 4) respect others' opinions; and 5) respect other people's time.

5. Announcement of Closed/Special Meetings:

The **Risk Management Committee** held a closed meeting on July 27, 2017 at Columbia Association headquarters. Members present were Milton Matthews, Susan Krabbe, Shari Zaret and Andy Stack. The vote to close the meeting was 4-0-0.

The closed meeting was authorized under the Maryland Homeowners Act, Md. Code, Real Property §11B-111 (4)(iv) consultation with staff personnel, consultants, attorneys, board members or other persons in connection with pending or potential litigation or other legal matters. The meeting was closed from 6:42 p.m. until 7:29 p.m. to discuss general liability matters.

The **Architectural Resource Committee** held a closed meeting on August 14, 2017 at Columbia Association headquarters. Members present were Sheri Fanaroff, Deb Bach, Evamarie Lambright, Tum Mungo and Gracie Bradford. The vote to close the meeting was 5-0-0.

The closed meeting was authorized under the Maryland Homeowners Act, Md. Code, Real Property §11B-111(4)(iv) consultation with staff personnel, consultants, attorneys, board members or other persons in connection with pending or potential litigation. The meeting was closed from 1:04 p.m. until 2:35 p.m. to discuss new and ongoing covenant cases.

The **Audit Committee** held a closed meeting on September 18, 2017 at Columbia Association headquarters. Members present were Ed Berman, Janet Evans, Nancy McCord, Gregg Schwind, and James Young. The vote to close the meeting was 5-0-0.

The closed meeting was authorized under the Maryland Homeowners Act, Md. Code, Real Property §11B-111 (4)(i) discussion of matters pertaining to employees and personnel; and §11B-111 (4)(iv) consultation with staff personnel, consultants, attorneys, board members or other persons in connection with pending or potential litigation or other legal matters. The meeting was closed from 8:15 p.m. until 10:02 p.m. to review internal audit reports and consultation with staff on legal matters.

6. Approval of Agenda

Action: Ms. Thomas moved to approve the agenda. Ms. Eagan seconded the motion, which passed unanimously. Vote: 9-0-0.

7. Disclosure of Conflict of Interest: none

8. Resident Speakout:

- a) Paul Verchinski, Howard County Citizens Association, spoke about a request for CA to fund the Columbia Housing Center.
- b) Ginger Scott, Wilde Lake, spoke about the possibility of having beer carts on Fairway Hills Golf Course.
- c) Tom Scott, Wilde Lake, spoke about signatures he has been collecting on a petition about having beer carts on Fairway Hills Golf Course.
- d) Russ Swatek, Long Reach, spoke about New Town zoning at the Lakefront; possibly creating a zoning authority; and parking availability.
- e) Chris Alleva, Hickory Ridge, spoke about New Town zoning; possible errors in the rules and procedures of the hearing examiner; and possibly establishing a Columbia Planning Advisory Council to give CA a formal role in commercial land use decisions.
- f) Jonathan Edelson, Oakland Mills Community Association, thanked Ms. Thomas and Mr. Matthews for getting The Other Barn elevator fixed. He also spoke about the impact that proposed changes to the assessment share would have on Oakland Mills.
- g) Dan Woodruff, Dorsey Search Community Association, spoke about proposed changes to the assessment share, contingency fund, and reserve cap.

9. Chairman's Remarks

Mr. Stack provided a written report and announced the following meetings and events:

Oct 1 Open Street Event	11:00 AM
Oct 1 Gail Holiday Poster Tree dedication; Lake K.	5:00 PM
Oct 1 Columbia Orchestra Concert; Lakefront	6:00 PM
Oct 3 Excite Columbia session starts	6:30 PM RR
Oct 5 Board 50th Birthday Event	6:30 PM RR
Oct 7 Time Bank Tool Swap	11:30 AM
Oct 7 Howard Hughes OPUS Event; Merriweather	4:00 PM
Oct 7 CA Campfire activity for families	4:00 PM RR
Oct 11 Volunteering Made Easy	6:00 PM RR
Oct 12 Walking Tour Downtown Columbia	10:00 AM
Oct 12 CA Board Work Session	7:00 PM
Until October 13: Art Exhibit at Howard County Center for the Arts, with items from the Rouse Company/HHC	
Oct 13-15 CARNEVIL (Symphony Woods at Merriweather Park)	6:00 PM
Oct 19-22 CARNEVIL (Symphony Woods at Merriweather Park)	6:00 PM
Oct 21 Dorsey's Search OCOBERFEST	6:00 PM RR

Oct 22 Oceania Cultural Event (Miller Library)	1:30 PM
Oct 25 Community Building Speakers Series	7:00 PM
Oct 26 Walking Tour Hickory Ridge	10:00 AM
Oct 26 Risk Management Committee meeting	7:00 PM
Oct 26 CA Board Meeting 7:30 PM	
Oct 30 Town Center Murder Mystery 7:00 PM RR	

RR = Registration Required

Mr. Stack said he heard the BikeAbout went very well. He attended the covenant briefing and thinks every village was represented and the turnout was good. The next three-week session of Excite Columbia! runs on October 3, 10, and 17.

He has met with the village boards of Wilde Lake and Oakland Mills. Several other meetings with village Boards will occur in October. The schedule was sent to CA Board members. He also attended a 50th Birthday interfaith event on Sunday, September 17 and the Reunion - Building a Better City event at HCC on September 19.

10. Reports/Presentations

(a) President's Report

Mr. Matthews provided a written report. In response to questions from Board members, Mr. Matthews and CA staff said:

- The Columbia Housing Center should be a stand-alone organization rather than a part of CA.
- Ms. Dembner is not an officer of CA.
- Staff will provide recommendations regarding each request made in the proposed budget.

(b) Report from the CA Representative to the Inner Arbor Trust Board of Directors

Ms. Eagan provided a written report.

(c) Financial Reports

1. FY 2018 First Quarter Financial Report
2. FY 2018 First Quarter Financial Statement

Ms. Krabbe said first quarter results were positive and the Audit Committee recommended that the results be presented to the Board.

11. Board Action

(a) Consent Agenda

1. Approval of Minutes – July 27, 2017

The minutes were approved without objection.

(b) Board Votes

1. Approval of Changes to the Office of Internal Audit Charter

The Audit Committee recommends modifications to the document to include content suggested by the Institute of Internal Auditors, and to reflect current responsibilities of Internal Audit.

Action: Ms. McCord moved that the Board approve the Office of Internal Audit Mission Statement and Charter as amended. Ms. Evans seconded the motion, which passed unanimously.

Vote: 9-0-0.

(c) Board Discussion

1. Assessment Share Work Group Final Report and Recommendations

Mr. Stack thanked the Assessment Share Formula Work Team for its work.

Ms. Dembner introduced Owen Brown Village Manager Craig Barton, who said that beginning in November 2016, the team met 20 times to develop and present draft recommendations to the villages, review their responses, and develop a revised proposed formula. Mr. Barton said the goal was to create a formula that is easier to understand, doesn't discourage village association revenue growth, and reflects the size and mission of each village association. He said the formula has two components: a mission/association share (base amount, village manager credit, covenant advisor credit, population credit) and facility share (janitorial expense and wages, utilities, and repairs/maintenance).

Ms. Dembner added that the work group also recommends:

- Three-year phase-in.
- CA continues to pay employer benefits (medical, etc.) in addition to formula amount.
- If contingency funds are disbursed and excess cash cap removed or increased, then villages would fund property standards evaluations at their discretion.
- Review the formula every five years; review the formula's variables (population changes, square footage, etc.) every two years.
- Eliminate the Contingency Fund, allocating 50% to CA and 50% to villages (each of the 10 villages would get 5%). For each village receiving a smaller allocation of annual funds for FY 18 under the new formula, allow retention of FY 17 excess cash over 15%.

Chao Wu joined the meeting via phone at 10:03 p.m.

The Board asked staff to determine how much each village would receive in cash reserves under various scenarios for eliminating the contingency fund. They discussed whether the amounts villages currently hold in reserve are excessive and whether the money should be managed by the villages or CA. Some members noted that the funds came from ratepayers and should be used/dispersed in ways that benefit them.

The Board discussed equal vs. equitable ways to allocate funding for operating and facility costs. They also noted that CA covers expenses and facilities that benefit all of the villages such as gyms, ice rink, paths and open space. CA does not charge rent from village community associations nor a management fee for collecting assessment revenue and distributing it to the villages.

The Board will discuss the issue at its next work session and vote on the recommendations (formula, contingency, etc.) during its next Board meeting, scheduled for October 26.

2. Lakefront Core Design Guidelines

Mr. Stack said the guidelines would most likely be voted on in November or December.

12. For Your Information

Mr. Stack encouraged members to read the handouts listed below, especially the first one.

- (a) "Home, Office Fitness Offerings are Giving Traditional Gyms A Run For their Money"

This *BizNow DC* article details how landlords, retailers and specialty workout centers are competing with traditional gyms.

- (b) Letter from the Columbia Festival of the Arts

The letter thanks CA for making the three-day festival a success.

- (c) Article about the Chrysalis

An article in *Architect Magazine* describes how the \$6.6 million performance venue was designed with the intention of being sturdy and iconic.

13. Tracking Forms

- (a) Tracking Form for Board Requests

Mr. Wu said his question about computer policies is not listed on the tracking form. He also asked that he receive replies acknowledging that his requests for information have been received. Mr. Matthews said he is drafting a response to Mr. Wu's question.

(b) Tracking Form for Resident Requests

14. Talking Points Recording Secretary Valerie Montague read the Talking Points.

15. Adjournment: The meeting was adjourned at 10:50 p.m.

Respectfully submitted,

Valerie Montague
Recording Secretary