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DRAFT
Minutes of the
BOARD OF DIRECTORS MEETING
Held: April 23, 2020

To be approved: May 28, 2020

A virtual meeting of the Columbia Association Board of Directors was held on Thursday, April 23, 2020. Participating were Chairman Andy Stack, Vice Chair Virginia Thomas, and members Dick Boulton, Renee DuBois, Lin Eagan, Janet Evans, Alan Klein, Milton W. Matthews, Nancy McCord, Rafia Siddiqui, and Shari Zaret. Other participants were CA Vice President/CFO Susan Krabbe, Director of Finance/Treasurer Lynn Schwartz, and Director, Office of Internal Audit Jackie Tuma.

1. Call to Order: The Board of Directors Meeting was called to order at 7:05 p.m. by Chairman Andy Stack. Mr. Stack read prepared remarks outlining how the meeting would be conducted. He then proceeded with a roll call to determine which Directors and CA senior staff members were participating. Mr. Stack noted that only audio of the meeting was being broadcast.

2. Announcement of Closed/Special Meetings Held/To Be Held:

CA's **Board of Directors** held a virtual closed work session on April 6, 2020. Members participating were Chairman Andy Stack, Vice Chair Virginia Thomas, and members Dick Boulton, Renee DuBois, Lin Eagan, Janet Evans, Alan Klein, Milton W. Matthews, Nancy McCord, Rafia Siddiqui, and Shari Zaret. The vote to close the meeting was 8-2-0.

For: Messrs. Stack and Klein, and Mmes. Eagan, Evans, McCord, Siddiqui, Thomas, and Zaret
Against: Mr. Boulton and Ms. DuBois
Abstain: none

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 (iv), Consultation with staff personnel, consultants, attorneys, board members or other persons in connection with pending or potential litigation or other legal matters. The work session was closed from 4:05 p.m. until 4:50 p.m. to discuss issues related to the corona virus pandemic.

CA's **Board of Directors** held a virtual closed work session on April 16, 2020. Members participating were Chairman Andy Stack, Vice Chair Virginia Thomas, and members Dick Boulton, Renee DuBois, Lin Eagan, Janet Evans, Alan Klein, Milton W. Matthews, Nancy McCord, Rafia Siddiqui, and Shari Zaret (joined at 4:37 p.m.). The vote to close the meeting was 6-3-0.

For: Mr. Stack and Mmes. Eagan, Evans, McCord, Siddiqui, and Thomas
Against: Messrs. Boulton and Klein and Ms. DuBois
Abstain: none

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 (iv), Consultation with staff personnel, consultants, attorneys, board members or other persons in connection with pending or potential litigation or other legal matters. The work session was closed from 4:34 p.m. until 5:28 p.m. to discuss issues related to the corona virus pandemic.

3. Approval of Agenda

Action: Ms. Thomas moved to approve the agenda. Ms. Evans seconded the motion, which was approved unanimously.

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4. Resident Speakout:

Due to limitations on the ability for people to call in to the virtual meeting, a verbal resident speakout was not held. Instead, residents were encouraged to send their comments to CA’s Board of Directors at Board.Members.FY20@columbiaassociation.org.

5. Consent Agenda

- (a) Approval of Minutes – March 26, 2020 BOD Meeting
The minutes were approved by consent. A typographical error on line 53 was subsequently corrected.

6. Board Votes

- (a) Proposed Modifications to the FY 2021 Capital Budget
Ms. Krabbe reviewed the changes made to reduce the FY 2021 capital budget, originally approved for \$15M in February 2020, to \$8M. Reductions were made to category I, II, and III projects, with priority funding provided for projects needed for legal or safety reasons, income-producing facilities, and upgrades to quality of service. The Board discussed the changes, and then requested Ms. Krabbe review the proposed modifications to the FY 2021 operating budget, prior to a vote.
- (b) Proposed Modifications to the FY 2021 Operating Budget
Ms. Krabbe presented two scenarios for revisions to the FY 2021 operating budget, originally approved in February 2020 at \$79,683M in projected income; \$76,682M in projected expenses; and an increase in net assets of \$3.0M. Proposed Scenario 1 reflected a phased-in reopening beginning July 1, 2020, with projected total income of \$60,030M; total operating expenses of \$66,101M; and an increase in net assets of \$247K. Proposed Scenario 2 reflected a phased-in reopening beginning September 1, 2020, with projected total income of \$60,030M; total operating expenses of \$59,996M; and an increase in net assets of \$34K.

The Board discussed the two scenarios and requested information on the assumptions used in developing them.

Action: Ms. Siddiqui made a motion to adopt the proposed modifications to the FY 2021 Capital Budget. Ms. McCord seconded the motion, which was approved by a vote of 9-1-0.

For: Messrs. Boulton, Klein, and Stack; and Mmes. Eagan, Evans, McCord, Siddiqui, Thomas, and Zaret

Against: Ms. DuBois

Abstain: none

Action: Ms. Thomas made a motion to adopt Proposed Scenario 1 of the FY 2021 Operating Budget. Mr. Boulton seconded the motion, which failed by a vote of 4-5-1.

For: Messrs. Boulton and Stack, and Mmes. Siddiqui and Thomas

Against: Mr. Klein and Mmes. DuBois, Eagan, Evans, and Zaret

Abstain: Ms. McCord

Action: Ms. Evans made a motion to adopt Proposed Scenario 2 of the FY 2021 Operating Budget. Ms. DuBois seconded the motion, which passed by a vote of 8-1-1.

For: Messrs. Boulton and Klein, and Mmes. Eagan, Evans, McCord, Siddiqui, Thomas, and Zaret

Against: Mr. Stack

Abstain: Ms. Siddiqui

The FY 2021 operating budget will be reviewed during the first quarter.

- (c) Amendments to the Management Contract

Ms. Tuma reviewed the proposed amendments to the management contract, which were suggested to allow the village community associations to plan for lost and reduced revenue, as well as lower expenditures. The

104 first amendment would waive the FY 2020 excess cash reserves requirement; the second would increase the
105 threshold for village-funded repairs and maintenance from \$1,000 to \$2,000. The Board discussed both
106 amendments.
107

108 **Action:** Ms. DuBois made a motion to increase the threshold for village-funded repairs and maintenance
109 from \$1,000 to \$2,000. Mr. Stack seconded the motion, which passed by a vote of 9-1-0.

110 For: Messrs. Boulton, Klein, and Stack; and Mmes. DuBois, Eagan, Evans, Siddiqui, Thomas, and
111 Zaret

112 Against: Ms. McCord

113 Abstain: none
114

115 **Action:** Ms. McCord made a motion to waive the FY 2020 excess cash requirement. Ms. Siddiqui
116 seconded the motion. Before a vote could be taken, Ms. DuBois offered a friendly amendment to waive the
117 village cap on reserves for the entirety of the management contract. Mr. Klein seconded the friendly
118 amendment, which was accepted by Ms. McCord.
119

120 The Board discussed both the original motion and the friendly amendment. At the conclusion of the
121 discussion, Ms. DuBois withdrew the friendly amendment. The original motion by Ms. McCord was
122 approved unanimously.
123

124 **7. Chairman's Report**

125 Mr. Stack called the Board's attention to his written report. He also thanked Ms. Siddiqui for her service on the
126 Board. In response, Ms. Siddiqui read a prepared statement regarding her term on the Board and thanked Board
127 members and staff for their help during the year.
128

129 **8. Reports/Presentations**

130 Mr. Stack called the Board's attention to the written report from the CA representatives to the Inner Arbor Trust
131 Board of Directors.
132

133 **9. Proposed New Topics**

134 (i) Waive the village cap on reserves for the remainder of the management contract, including a review of
135 inequities in amounts of cash available to different villages due to different facilities

136 (ii) A Board subcommittee to assemble a list of topics to be covered in all Board orientation sessions
137

138 **10. Talking Points:** The Talking Points were read by Recording Secretary Janet Loughran.
139

140 **11. Adjournment:** Without objection, the meeting was adjourned at 9:19 p.m.
141

142 Respectfully submitted,
143

144 Janet F. Loughran

145 Executive Assistant to the President/CEO