

FERNSHIRE FARMS HOMEOWNERS ASSOCIATION, INC.
C/o Vanguard Management Associates, Inc.
P.O. Box 39 Germantown, Maryland 20875-0039
(301) 540-8600

NOTICE OF ANNUAL MEETING

Date: Monday February 11, 2019

Time: 7:30pm

Place: Ridgeview Middle School
16600 Raven Rock Dr.
Gaithersburg, MD 20878

AGENDA

- | | | |
|-----|---|---------------------------|
| 1. | Introduction | Larry Seeger |
| 2. | Roll call and certification of proxies | Larry Seeger/Sandra Ewing |
| 3. | Proof of notice of Meeting or Waiver of Notice | Sandra Ewing |
| 4. | Reading or disposal of minutes of proceeding
Meeting, February 26,2018 | Larry Seeger |
| 5. | Reports of Officers | |
| | A. Secretary: Contractors | Cindy Nelson |
| | B. Treasurer: Budget & Finances | Karan Oberoi |
| | C. Vice President: 2018 Community Projects | Alex Milkhaylov |
| | D. President: 2018 Activities Summary | Larry Seeger |
| 6. | Reports of Committees | |
| | A. Architecture Control (ACC) | Larry Seeger |
| | B. Newsletter | Larry Seeger |
| | C. Neighborhood Crime Watch | Larry Seeger |
| | D. Welcome Committee | Cindy Nelson |
| | E. City Coordinator | Larry Seeger |
| | F. Landscape Committee | Cindy Nelson |
| 7. | Nomination, if any, of Board Candidates | Larry Seeger |
| 8. | Appointment of Inspectors of Election (if needed) | Larry Seeger |
| 9. | Election of Directors (2 Seats) | Larry Seeger |
| 10. | Unfinished Business from 2018 | |
| 11. | New Business | Larry Seeger |
| 12. | Homeowners Open Forum | Larry Seeger |
| 13. | Adjournment | Larry Seeger |

Please be advised that, should a quorum not be achieved at this meeting, Section 5-206 of the Corporations and Associations Article of the Annotated code of Maryland will be invoked. This means that a subsequent meeting will be held at which those members present in person or by proxy will constitute a quorum for the purpose of electing Directors and conducting other meeting business.

**FERNSHIRE FARMS HOMEOWNERS ASSOCIATION
2018 ANNUAL MEETING
FEBRUARY 26, 2018**

The meeting was called to order at 7:40 pm.

INTRODUCTION

Larry Seeger introduced himself, Cindy Nelson, Secretary and Landscape Committee Chair; Karan Oberoi, Treasurer; Sandra Ewing, Community Manager and Sally French, Recording Secretary. Also serving on the Board is Tom Fahres, who is absent from tonight's meeting. In addition, he explained he is the City Coordinator Chair and the Board serves as the Architectural Control Committee. The annual meeting, along with the regular Board meeting, must be completed by 9:30pm.

ROLL CALL AND CERTIFICATION OF PROXIES

Thirty-eight (38) people were counted in person or represented by proxy/ballots. This number constitutes quorum for the purpose of the election of Directors.

PROOF OF NOTICE

The Official Notice of the Annual Meeting was mailed on February 9, 2018 to all homeowners.

READING AND DISPOSAL OF THE FEBRUARY 13, 2017 ANNUAL MEETING MINUTES

MOTION by Alex Mikhaylov of 912 Bayridge Terrace to approve the February 13, 2017 Annual Meeting Minutes as written. Seconded by Mr. Bedi of 23 Bayshore Court. The motion passed unanimously.

REPORT OF OFFICERS AND DIRECTORS

Question by Alex Mikhaylov of 912 Bayridge Terrace as to whether an accident, that takes place on for example the tennis court, would be covered if the individual was playing something other than tennis.

ACTION – Ms. Ewing will contact the association's agent from State Farm to make sure that all types of accidents would be covered if they occurred on the association's property.

MOTION by Mr. Bedi of 23 Bayshore Court to waive the reading of the Reports of Officers and Directors. Seconded by Alex Mikhaylov of 912 Bayridge Terrace. The motion passed unanimously.

REPORT OF COMMITTEES

MOTION by Alex Mikhaylov of 912 Bayridge Terrace to waive the reading of the Reports of Committees. Seconded by Mr. Bedi of 23 Bayshore Court. The motion passed unanimously.

NOMINATIONS OF CANDIDATES AND ELECTION TO THE BOARD OF DIRECTORS

The seats currently held by Cindy Nelson and Karan Oberoi are up for election. Both submitted candidate questionnaires. There were no write in candidates.

MOTION by Alex Mikhaylov of 912 Bayridge Terrace to elect Cindy Nelson of 19 Bayshore Court and Karan Oberoi of 1025 Bayridge Terrace by acclamation to the Fernshire Farms Homeowners Association Board of Directors. Seconded by Mr. Bedi of 23 Bayshore Court. The motion passed unanimously.

UNFINISHED BUSINESS FROM 2017 ANNUAL MEETING

No comments were made.

Fernshire Farms Homeowners Association
2018 Annual Meeting
February 26, 2018

NEW BUSINESS

The ongoing problems with the improper disposal of trash, recycling and bulk trash were discussed. This continues to result in an additional expense to the community because a contractor, at times, is hired to pick-up litter and bulk trash. Information/guidelines and pictures were sent to all homeowners and tenants in hopes of reducing this expense. Trash pick-up is Mondays and Fridays and recycling is on Friday. The City of Gaithersburg picks up bulk trash on the first Friday of the month. If anyone sees a neighbor put out trash and/or bulk trash, at a non pick-up time, it should be reported to management. In addition, Potomac Disposal will pick-up bulk trash two times a year for each unit, when requested on-line. The association also pays for a contractor to pick-up litter. Additionally, the improper disposal of pet waste continues to be a problem. If the address of the pet's owner can be identified, it should be reported to the City of Gaithersburg.

The 2018 Annual Meeting adjourned at 8:33pm.

Secretary's Report for 2018 for 2019 Fernshire Farms Annual Meeting

Fernshire Farms has a number of contractors it uses to perform the work necessary for the efficient operation of the common areas within the community. Contractors are selected on a competitive basis, sometimes yearly, sometimes for a period longer or shorter than one year. Only contractors who are qualified, properly licensed, bonded and insured are considered. Bids are evaluated and the Board makes a decision based on the type of work proposed vs. the type of work required, cost of the work and other factors such as completeness of the bid.

Trash Removal: The trash removal contractor for the 2018 year was Potomac Disposal. Trash removal costs for 2017 were **\$28,728.00** and in 2018, **\$29,590.00**.

Lawn Service: Fernshire Farm's lawn service contractor during 2018 was AW Landscapes. In 2017 our costs were \$67,506.00 and in 2018, **\$68,266.00** in 2018. For 2019 AW Landscapes will continue as our lawn service contractor.

Management Company: Vanguard Management has served as Fernshire Farms' management company since 1988. In 2017, Fernshire Farms paid Vanguard Management **\$45,303.48** and in 2018, **\$46,662.00**

Auditor: Goldklang, Cavanaugh & Associates was Fernshire Farms' auditor and tax preparer for 2017. In 2017, we paid **\$3,155.00** for this service and in 2018, we paid **\$3,175.00**. This service is a legal requirement under our Association Covenants and by-laws. The Board has elected to use the same firm for 2018.

Attorney: Fernshire Farms retained the legal services of Chen, Walsh, Tecler, McCabe. Total legal fees for 2018 were **\$3,722.26** compared to **\$1,375.90** in 2017.

Landscaping: Fernshire Farms contracted with Appalachian Tree Service to complete various landscaping improvements, including pruning trees, removal of dead trees and stumps, Fernshire Farms paid **\$24,936.00** to Appalachian Tree Service in 2018 compared to **\$19,560.00** in 2017 for tree removal/maintenance and on landscaping improvements.

Recording Secretary and MCPS: The Fernshire Farms HOA Board utilized the services of a recording secretary to prepare the minutes of each Board meeting and the Annual Homeowners' Meeting. The Board retained the services of Ms. Sally French at a rate of **\$160.00** per meeting during 2018 (no increase over 2017). Additionally, fees were paid to Montgomery County Public Schools for the use of Ridgeview Intermediate School. The combined total meeting expenses were **\$2096.00** for 2018. The Board will continue to utilize the services of Ms. French and the school during 2019.

Insurance: Fernshire Farms has its insurance placed with State Farm Insurance. Premiums for 2017 were totaled **\$4,296.04** and increased to **\$4,618.00** in 2018. The policies include property and casualty coverage for common assets (tennis courts, tot lots and the like) and liability coverage on common areas. The Board also carries Directors and Officers coverage for the Board of Directors.

Snow Removal: AW Landscapes provided snow removal services during 2018. Fernshire Farms paid approximately **\$15,305.00** for snow removal services during 2017 and **\$27,787.00**. The costs for this service vary greatly depending on how bad our winters are.

Legislation enacted by the City of Gaithersburg requires that every HOA and Condominium Association is responsible for public sidewalks that are contiguous to its common areas. Fernshire Farms was responsible for snow removal on Sioux Lane, Great Seneca Highway and Quince Orchard Road. Snow removal services are contracted on an hourly basis, not on a fixed fee basis.

Miscellaneous Contractors: Each year, the Board hires a number of contractors to do various jobs within the community. Some of these contractors are used routinely and some are utilized on a case-by-case basis. During 2018, the services of Betson Pickup Services, were utilized. The total paid to Betson Pickup for additional large item pickups not put out on the first Friday of each month and for some minor repair work totaled **\$5,100.00**. Trash in our community continues to be a serious and expensive problem and we have to look into ways to address it. Every time the community has to have the City pick up the trash outside of the bulk pick up day, it costs the community additional fees.

Respectfully submitted,

Cindy Nelson

**Treasurer's Report
2017 Fernshire Farms Operating Budget
2018 Annual Meeting**

Fernshire Farm's operating budget for 2016 was \$ 302,484.00. This budget was financed with income from monthly homeowner assessments, interest on community deposits, newsletter advertising and late fees. Unaudited net income for the year was zero.

Total Assets	\$ 757,232.73
Total Current Liabilities (includes pre-paid assessments)	\$ 32,683.49
Total Reserves	\$ 540,196.88
Total Equity	\$ 185,352.36
Total Liabilities & Equity	\$ 757,232.73

Income:	12/31/17 Actual	2017 Budget	Variance
Income	\$ 309,543.87	\$ 306,588.00	\$ 2955.87
Reserve Contributions	\$ 24,301.89	\$ 20,139.00	\$ (4162.85)
Total General Administrative Expense	\$ 82,206.24	\$ 86,624.00	\$ 4,417.76
Total Site Improvements	\$ 0.00	\$ 19,587.00	\$ 19,587.00
Total Maintenance Expense	\$ 23,172.40	\$ 33,943.00	\$ 10,770.60
Contract Maintenance Expense	\$ 120,368.00	\$ 146,295.00	\$ 25,927.00
Total Expense	\$ 250,048.53	\$ 306,588.00	\$ 56,539.47

Goldklang, Cavanaugh, & Associates, P.C audited the Balance Sheets of Fernshire Farms HOA, Inc. for the years 2017 and 2018. In their opinion, the financial statements referred present fairly, in all material respects, the financial position of the Fernshire Farms Home Owners Association, Inc. The results of FFHOA operations and cash flows for the years ended were in conformity with accounting principles generally accepted in the United States of America. (August 2009).

As the Fernshire Farms community ages, the Board anticipates (and as a result of the capital reserve study that was performed by Mason and Mason during 2016) that capital replacements will increase in the coming year. The Board felt it prudent to have the Fernshire Farms HOA prepared for such increased financial responsibility.

Written and presented by: Karan Oberoi 1025 Bayridge Terrace

**Vice-President's Report
Annual Meeting
February, 2019**

Lawn Maintenance

A.W. Landscapes Inc. was our lawn services company for 2018 and their contract is continuing into 2019. The same company will also be handling our snow removal as needed.

Trash Collection

Potomac Disposal was our trash removal company in 2018 and their contract is continuing into 2019. Trash should be put out in front of your residence on Mondays and Thursdays by 7:00 am. You can put it out as early as 7:00 pm the night before. Note that trash pick-up may be as early as 7:00am; do not put out trash if Potomac Disposal has already serviced the area for that day. Please use trash bags or trash cans for pick-up and keep the front yards free of trash, food and other debris at all times. Note that trash is not picked up on Christmas Day (December 25) or on New Year's Day (January 1), which shouldn't affect our community until 2023.

Bulk Trash Collection

Bulk trash is collected by the City of Gaithersburg at designated locations on the first Friday of each month. In addition, each home can schedule an appointment (301-294-9700) with Potomac Disposal to collect most types of bulk trash. This service is available twice each year free of charge.

Recycling

Recycling is collected by the City of Gaithersburg every Friday morning. To avoid problems with birds and animals, please rinse containers thoroughly and do not place recycling out prior to 7:00 pm on the evening prior to collection. For information on recycling, please go to <https://www.montgomerycountymd.gov/sws/>.

Monthly Assessments

For 2019 the monthly assessment was increased to \$78.50.

Parking and Common Areas

27 tree maintenance and landscape improvements projects were authorized by the board in 2018. A new bench was installed next to the swings in the tennis court area. The tot lots had their wood fiber replenished.

Status of Board of Directors

The Board has two positions up for election. The Board continues to seek a chair for the Architectural Control Committee. The Board continues to serve as the committee as no one has come forward to volunteer to serve in this role. Anyone wishing to serve would be welcomed.

Respectfully Submitted,

**Alex Mikhaylov, VP of Fernshire Farms HOA
February 2019**

President's Report 2019 Annual Meeting

Summary of Activities 2018

I would like to take a moment to summarize the year's activities since our last annual meeting. Application Tree Service was hired to prune and remove dead and dying trees throughout the community. Replacement trees will be planted as time, location and conditions allow. The Board is pleased to convey to the community that a number of project recommendations have been made all of which are complete.

Trash collection appears to have greatly improved by the contractor over the past year with only a few complaints as opposed to the previous year. There is however a continuing problem with squirrels and crows invading the trash placed out for collection. Several solutions to this problem have been communicated to the community. County landfill fees continue to increase, allowing for the cost in trash removal to increase. Everyone is reminded to recycle wherever possible to help keep these costs to all down. There continues to be a high disregard for placing trash, especially large item trash, out at the wrong time, and in the wrong manor. Therefore the Association is faced with a difficult decision of either paying additional fees to remove it, or putting up with the look it creates until picked up by the city. The additional fees paid by the Association, i.e.: all of us, was \$6935.75 plus in 2017. The Board tries to recover as much of this as possible when we know who is responsible. Please keep your eyes open and notify a Board member or the Management Co. if you see this happen. Please be informed that the monthly BOD and ACC meetings have moved to the second Monday of each month.

Committees

ACC

Once again the Board assumed this task as there remains no committee. Applications are reviewed as submitted, violations are initiated as needed, and hearings have been held to correct violations that have arisen. Vanguard Management has once again provided objective third party property inspections in an effort to keep Fernshire as well maintained as is possible. The Board feels very strongly that ACC matters are of the utmost importance to maintain continued property values of the highest magnitude. Applications are to be received no later than the first Wednesday of each month in order to be considered at the next scheduled meeting.

Newsletter

The newsletter has been scaled back in production as the revised website now serves as the main communication to the community. The new website has all but replaced the newsletter. (www.fernshirefarmshoa.org) Many thanks to my family for the time they devote to the delivery of the newsletter as well as the help from Board members. The intent is to produce the newsletter on a semi-annual basis. . Homeowners are reminded to watch the mailboxes for additional information that needs to be given to residents in between editions, and to check out the new website for additional information

Welcome

Thanks to Cindy Nelson for the wonderful job of distributing gifts and Welcoming new residents to the community.

City Coordinator

Again this year I have served as the City Coordinator and believe that Fernshire's relationship with the city is as strong as ever. We are at present watching the adjacent property in the Kentland's as to its proposed development of an apartment complex.

Continuing Concerns

The continual disregard for policies and procedures is still a high concern. Some of these concerns are, but not limited to, trash placed at the wrong time or in the wrong manner, not cleaning up after pets, as well as pets being allowed to run loose, and last but not least the residents continually using guest parking not allowing for our guests to have a place to park.

In Closing

Thanks to the many volunteers who help in the day to day operation of the community. Thanks to Sandra Ewing at Vanguard Management as well as the staff of Vanguard for their continued support of Fernshire Farms. We should at all times endeavor to remember that we are friends and neighbors and try to make Fernshire Farms the best possible place to live.

Respectfully Submitted,
Larry Seeger
President, FFHOA

**Architectural Control Committee Report
2018 Fernshire Farms HOA
2019 Annual Meeting**

Home Inspections

The Board approved two home inspections last year. One was held in the spring and the other in the fall. Many homeowners have corrected their violations but many have not. Hearings were scheduled and held for a number of homeowners, as a result of those hearings, many violations have been corrected. It is very important that these violations be corrected so that our community will continue to be an attractive place in which to live.

Applications for Architectural Changes

Many applications were reviewed and either approved, denied, or denied pending clarification. It is important that all homeowners submit a request for any architectural change prior to making these changes. If you are not making any changes you do not have to submit a request for an architectural change. However, changes in color, size, product, etc., must be approved by the ACC Committee. When in doubt, submit an application. Applications should be submitted one ay least one week prior to scheduled meetings usally the third Monday each month.

Respectfully Submitted,
Larry Seeger
Acting ACC Chairman

**Newsletter Committee
Report 2019 Annual Meeting**

The Fernshire Crier was published two times in 2018, due to the redesign of the Fernshire website, and at the request of homeowners to operate in a more “green” manor. Flyers were provided, as needed. The addition of the new website has replaced the newsletter has a monthly newsletter, and in the future. Editions are planned for 2019 as needed. The website has provided community members an excellent way to ask questions and obtain guidance. Please visit www.fernshirefarms.org.

Respectfully Submitted,
Larry Seeger

**Neighborhood Crime Watch
Report for 2019 Annual Meeting**

The Neighborhood Watch Program primarily consists of informational articles printed in the newsletter, as well as on the website, to keep the community informed as to what events have occurred. To achieve accreditation in the program each street in the community must have 60% participation in the operation identification program.

Given the increase in petty crime over the last year, and the effect it has had on community, the Board is hopeful that enough volunteers will step forward and proceed with formulating guidelines and coordinating with the community police.

As always community participation is essential to have a fully operational program.

Respectfully Submitted
Larry Seeger

**Farms Welcome Committee Report for 2018
For Annual Meeting February 2019**

All new settlements receive a Lowe's gift card and a welcome card. Total spent for 2019 was \$500.00. We would like to thank Vanguard Management for their help throughout the year and hope the new home owners had a great start in our community and enjoyed their Lowe's gift cards.

We are continually in need of new volunteers, and would greatly appreciate any help you can extend to add value to our reputable neighborhood. We welcome any suggestions for improvements.

Please accept our best wishes for a prosperous year and make Fernshire Farms even a better place to live.

With warm regards,
Cindy Nelson for Welcome Committee

City Coordinators Report 2019

This past year I again served as the communities' coordinator with the City of Gaithersburg.

We continue to have a stronger than ever relationship with the city. I attended a number of Mayor and City Council meetings throughout the year as well as special meetings, discussions, and the State of The City Meeting. Some of the things that affect our community are as follows.

Medimune Corporation

Medimune continues to acquire property adjacent to Fernshire Farms. At present there is a solar panel project under way at one of its properties.

Kentland's Redevelopment Property

At present there is a proposal presented to the City to allow 2 apartment buildings to be constructed at the corner of Great Seneca Hwy. and Quince Orchard Rd. A total of seven and eight stories respectively, and unit total of 366 units.

Respectfully Submitted
Larry Seeger
City Coordinator

Landscape Committee Report for 2019 Meeting for the 2018 Year

\$11,287.00 was paid in 2018 to Appalachian Tree Service for ongoing tree pruning and removal of dead trees. We live in a mature neighborhood and at this point the community will need some tree maintenance every year.

The Landscape Committee had no new projects in 2018.

Respectfully Submitted, Cindy Nelson Landscape Chair.

