

Secretary's Report for 2021 for the Fernshire Farms Annual Meeting

Fernshire Farms has a number of contractors which 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, contractor's prior performance and other factors such as completeness of the bid.

Trash Removal: Fernshire Farms' trash removal contractor is Potomac Disposal. In 2021, trash removal costs were **\$28,478.34**, a 7.4% decrease over 2020, when they were **\$30,738.96**. In 2022 Potomac Disposal will continue to serve as our trash removal contractor.

Lawn Service and Grounds Maintenance: Fernshire Farms' lawn service and grounds maintenance contractor is AW Landscapes. In 2021, lawn service and grounds maintenance costs were **\$75,630.00**, a 2.6% increase compared to 2020 when they were **\$73,683.00**. In 2022 AW Landscapes will continue to serve as our lawn service and grounds maintenance contractor.

Management Company: Vanguard Management has served as Fernshire Farms' management company since 1988. In 2021, the management fee paid to Vanguard Management was **\$50,995.92**, a 3.0% increase over 2020 when it was **\$49,508.04**. In 2022 Vanguard Management will continue to serve as our management company.

Auditor: Goldkang, Cavanaugh & Associates are Fernshire Farms' auditor and tax preparer. In 2021, the cost of their services was **\$3,350.00**, a 1.5% increase over 2020 when the cost was **\$3,300.00**. This service is a legal requirement under our Association Covenants and by-laws. The Board has elected to use the same firm in 2022.

Attorney: Fernshire Farms retains the legal services of Reese, Broom LLP. In 2021, total legal fees and litigation expenses were **\$7,925.98**, a 55.8% increase over 2020 when they were **\$5,087.24**. In 2022 Reese, Broome LLP will continue to provide legal services to Fernshire Farms.

Landscaping: Fernshire Farms contracts with AW Landscapes to complete various landscaping improvements, including pruning trees and removal of dead trees and stumps. In 2021, the cost of this service was **\$13,810.00**, a 57.7% decrease compared to 2020 when it was **\$32,655.00**. In 2022 AW Landscapes will continue to serve as our landscaping contractor.

Recording Secretary and other meeting expenses: The Fernshire Farms HOA Board utilizes 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 and Ms. Ruth Ann Allen during 2021. The company retained to host online Board meetings was Zoom. In 2021, the total meeting-related expenses were **\$2,108.50**, a 56.3% increase compared to 2020

when they were **\$1,348.75**. The Board will continue to utilize the services of Ms. Allen, Zoom, and, when schools are reopened, Ridgeview Middle School during 2022.

Insurance: Fernshire Farms has its insurance placed with State Farm Insurance. In 2021, total premiums were **\$5,641.68**, a 12.0% increase compared to 2020 when they were **\$5,038.36**. 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 provides snow removal services to the community. In 2021, the cost of the service was **\$29,355.00**, a 376.6% increase compared to 2020 when it was **\$6,159.00**. It should be noted that the costs for this service vary greatly depending on how much snow falls during the snow season. For 2022, the Board elected to utilize the services of O'Leary Asphalt Inc. as our snow removal contractor.

Legislation enacted by the City of Gaithersburg states that every HOA and Condominium Association is responsible for public sidewalks that are contiguous to its common areas. Fernshire Farms is responsible for snow removal on Sioux Lane, Great Seneca Highway and Quince Orchard Road.

In 2021 snow removal services were contracted on an hourly basis. In 2022 they will be contracted on a fixed fee basis, the exact cost depending on the number of inches of precipitation per snow event.

Miscellaneous Contractors: Each year, the Board hires one or more 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 2021 the services of Betson Pickup Services were utilized. In 2021, the total paid to Betson Pickup for additional large item pickups not handled by the City and for some minor repair work was **\$7,310.00**, a 7.9% increase compared to 2020 when it was **\$6,775.75**. In 2022, our costs may change as the community continues to adjust to the new City policy of doing large item pickup by appointment only.

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 trash picked up outside of the regular schedule, it costs the community additional fees.

Respectfully submitted,
Alex Mikhaylov

**Fernshire Farms HOA Board Secretary Treasurer's Report
2021 Fernshire Farms Operating Budget
2022 Annual Meeting**

Fernshire Farm's operating budget for 2020 was \$ 335,331.75. 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	\$ 1,024,354.39
Total Current Liabilities (includes pre-paid assessments)	\$ 39,012.20
Total Reserves	\$ 632,969.88
Total Equity	\$ 352,372.31
Total Liabilities & Equity	\$ 1,024,354.39

Income:	12/31/21 Actual	2021 Budget	Variance
Income	\$ 336,688.75	\$ 335,332.44	\$ 1,215.00
Reserve Contributions	\$ 30,874.28	\$ 29,919.33	\$ (954.99)
Total General Administrative Expense	\$ 85,725.75	\$ 94,899.50	\$ 9,173.75
Total Site Improvements	\$ 1,748.00	\$ 20,246.62	\$ 20,246.62
Total Maintenance Expense	\$ 163,053.89	\$ 195,294.96	\$ 32,241.07
Total Expense	\$ 281,401.92	\$ 340,360.41	\$ 58,958.49

Goldklang, Cavanaugh, & Associates, P.C audited the Balance Sheets of Fernshire Farms HOA, Inc. for the years 2020 and 2019. 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.

As the Fernshire Farms community ages, the Board anticipates (and as a result of the capital reserve study that was performed by Miller Dodson during 2021) 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: Nikolina Boyadzhieva 892 Flagler Drive

Fernshire Farms Homeowner's Association
2022 Annual Meeting
Vice-President's Report

I. Due to Covid restrictions HOA Board Meeting have moved to a virtual format. Community members can attend meetings via phone connection. Information on joining the meeting is available on the Community website: <http://www.fernshirefarms.org/>

II. Common Areas

1. Dead or damaged trees were removed and replaced in accordance with City of Gaithersburg requirements. Other trees were trimmed when necessary.

2.

A. HOA owned concrete sideways and curbs were inspected and damaged sections were replaced.

B. The city ground down raised sections of sidewalks on Sioux Lane to provide smooth transition between some sidewalk sections.

C. The city also filled cracks in the road surface.

D. A section of the common area near the tennis court and tot lot that showed erosion was repaired and sod installed.

3. The board of directors approved Architectural Standards for Electric Vehicle Recharging Equipment installation. Details are available on the Fernshire Farms Homeowner Association website http://www.fernshirefarms.org/index.php?option=com_docman&Itemid=128

Submitted February 16, 2022

Tom Fahres

President's Report 2022 Annual Meeting

Summary of Activities 2021

I would like to take a moment to summarize the year's activities since our last annual meeting.

AW Lawn 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 \$7310.00 plus in 2021. 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 Alex Mikhaylov 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. In July 2022 the City of Gaithersburg will join CCOC. CCOC is a panel that mediates disputes between HOA's and homeowners.

Trash Contract Changes

In 2022 there will be several changes to trash collection in the community. Please stay tuned for a detailed explanation of these change to be implemented.

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. Trash in cardboard boxes. Items prohibited, TIRES, CAR BATTERIES, PAINT will NOT be picked up by the city. The disregard for how and when to place items out for pick up costs the association in the thousands of dollars to repay twice for services in order to keep the community clean. Please be respectful of the rules, and procedures. 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
2021 Fernshire Farms HOA
2022 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.

**Newsletter Committee
Report 2022 Annual Meeting**

The Fernshire Crier was published two times in 2021, 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 as well as posted on the mailboxes. The addition of the new website has replaced the newsletter has a monthly newsletter, and in the future. Editions are planned for 2022 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

Respectfully Submitted,
Larry Seeger
Acting ACC Chairman

Neighborhood Crime Watch Report for 2022 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.

Several incidents in the community, mostly car entries, were reported throughout the year. Please be reminded to not leave valuables in plain sight, and call police when this activities occur.

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

Respectfully Submitted
Larry Seeger

Fernshire Farms 2021 Welcome Committee Report For the 2022 Annual Meeting

All new settlements receive a Lowe's gift card, a welcome card and a flier with contact information for Gaithersburg city services. The total amount spent in 2021 was **\$409.00**, a 16.2% increase compared to 2020 when it was **\$351.85**. We would like to thank Vanguard Management for their help throughout the year. We 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 neighborhood. We welcome any suggestions for improvements.

Respectfully submitted,
Alex Mikhaylov for the Welcome Committee

City Coordinators Report 2022

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.

Medimmune Corporation

Medimmune 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.

In July 2022 the City of Gaithersburg will join CCOC. CCOC is mediation means to settle HOA and homeowner disputes.

Respectfully Submitted
Larry Seeger
City Coordinator

Landscape Committee Report for 2022 Meeting for the 2021 Year

In 2021 the following occurred: tree service/replacement, 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. As in past years of having no active Landscape Committee, the Board of Directors performed assessments of needs, as well as with community input.

Tree removals and replacement projects in 2022 are to be scheduled..

Respectfully Submitted, Larry Seeger