

ARGUMENTS FOR A MANAGEMENT COMPANY TO SUPPORT THE WORK OF THE HOA BOARD OF DIRECTORS

A. Our Governing Documents enable the BoD to hire a Management Agent

FGHOA Governing Documents, Specifically Section 1 of Article XI of the Declaration dated March 18, 1982 enables the Board of Directors to hire a Management Agent to help the BoD address various issues regarding Common Areas and to promulgate and enforce rules and regulations (with the approval of the BoD) as follows:

“Management Agent. The Board of Directors may employ for the Association a management agent or manager (“the Management Agent”) at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time authorize in writing. The Management Agent shall perform such duties and services as the Board of Directors shall authorize in writing, including without limitation:

(a) to establish (with the approval of the Board of Directors of the Association) and provide for the collection of the annual maintenance assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with law and the provisions of this Declaration; and

(b) to provide for the care, upkeep, maintenance and surveillance of the common areas and community facilities; and

(c) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the common areas and community facilities; and

(d) to promulgate (with the approval of the Board of Directors of the Association) and enforce such rules and regulations and such restrictions or requirements, “house rules” or the like as may be deemed proper respecting the use of the common areas and community facilities; and

(e) to provide such other services (including accounting services) for the Association as may be consistent with law and the provisions of this Declaration.

Any management agreement entered into by the Association shall provide inter alia, that such agreement may be terminated by either party, without cause and without the payment of any termination fee, upon ninety (90) days’ written notice

thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods.”

B. Long Standing Need for a Management Company:

1. The previous 2018 Board was absolutely convinced of the need to hire a Management Company and voted to send out the RFPs.
2. In response to the first RFPs the first Management Company proposal was presented on March 28, 2019 – before the beginning of the present Board in May 2019.
3. The 2019 BoD has discussed the hiring of a Management Agent from the time it begun work in May 2019.
4. RFPs were subsequently sent to 5 different Management Companies, but only 2 provided proposals.

C. Best Qualified Management Company:

Out of the two proposals only one, the VISTA Management Company (VISTA) was deemed viable as the second proposal (Community Association Inc.) was: (a) double the amount of the offer, and (b) was not as interested in providing the assistance it originally indicated in its written proposal.

Reasons why VISTA is highly qualified:

1. 25-year management experience in the DC metro area servicing 35 condos and HOAs;
2. It is licensed and insured under a master policy with One Beacon, Chubb and others enabling Vista to gain the advantage of higher coverage at a lower premium;
3. Has No litigations regarding any allocations of mismanagement or misappropriation of funds;
4. It is designated as an Accredited Management Organization - only 3% of 9,000 real estate mgmt. firms have earned this designation due to stringent standards in areas of education, experience and ethical conduct;

5. If needed, offers appraisal services as a member of the Maryland Association of Appraisers;
6. If needed, VISTA will file insurance claims to oversee restoration of property.

D. VISTA will offer much needed support to the FGHOA Board by:

1. Comprehensive planning for future capital improvement projects (RFPs, bidding, supervision and successful completion of projects)
2. Architectural Committee (AECC) support by
 - a. Performing routine visits (2 per month) to inspect exterior home areas for compliance with HOA regulations regarding exterior home maintenance as outlined in the Statement of Community Expectations.
 - b. Identifying all areas and homes needing adherence to HOA regulations.
 - c. Enforcing HOA regulations
 - d. Assisting the AECC in responding to homeowner requests.
 - e. Assisting in assessing homeowner tree viability previous tree removal.
 - f. Assisting in Architectural control compliance
3. Maintenance Committee. The VISTA Manager will Monitor and Supervise the HOA by performing routine Community visits (3 per month) to inspect common areas, and field calls for requests on maintenance issues, such as falling trees.
4. General Contract Management to include:
 - a. Contractor Relations Program: Development of specifications, bid solicitations and contract monitoring
 - b. Bidding and presentation of proposed contracts for routine services and capital projects;
 - c. Monitoring contractor performance (e.g. for landscaping services) on an ongoing basis.
5. Improve HOA Communications among its members by:
 - a. One to one communication with owners when necessary;
 - b. Website Service and Communication where rules and regs. are properly communicated known and understood to prevent unwanted legal problems;
 - c. Establish database for mailings, invoicing, communications
 - d. Communications via Website/newsletters

- e. Follow-up of owner inquiries - Response service to HOA member requests including 24/7 emergency phone service system through 3rd Party vendor: Focus Communications
- f. Improvement of Response time to FGHOA Members

6. Financial Services:

- a. Management and Financial Report presentation at Association meetings
- b. Annual Budget development and preparation
- c. Annual Cash Flow Projection
- d. Financial Reserve operating and replacement reserve schedules
- e. Collections and Disbursements
- f. Establish database for mailings, invoicing, communications
- g. Zero Tolerance for Delinquency payments
- h. Prompt (by-weekly) payment of disbursements
- i. Provision to the Board of computerized **monthly** operating statements - include info. for Income, Delinquencies, Transfers to Capital Contributions and Disbursements - itemized by budget categories.
- j. Financial Reporting using the Industry standard financial management and reporting system.
- k. Reports to include monthly operating report, budget comparison and statement of Disbursements.
- l. Banking - Cash Management - daily posting of funds to BankAmerica, Wheaton Branch
- m. Audit Services - Management will cooperate with Auditor but not provide auditing services
- n. Design capital, operating and replacement reserve schedules by using the existing 2017 Becht Engineering Study.

7. Physical Management Plan, to include:

- a. Operations Inspection Program: Active, follow-up program that ensures that the standards of the Association are maintained
- b. Preventive Maintenance Program: for Tot Lot, Outdoor Benches, Basketball Court
- c. Energy Conservation Program: should HOA decide to extend lighted areas in trail and pond areas.

8. Administrative Management Plan:

- a. Preparing Board Meeting Packet to be delivered electronically to Board Members 4 days prior to meeting to include:
 - i. Attendance at HOA Board Meetings
 - ii. Preparing Agenda (in conjunction with President)
 - iii. Approval of previous minutes
 - iv. Mgmt. Report
 - v. Committee Reports
 - vi. Financial Reports including Delinquency and Attorney's Collection Reports
 - vii. Action Items (contract status, projects in process and maintenance items completed)
 - viii. Copies of HOA's Inspections Reports
- b. Distribution of quarterly newsletters
- c. Meeting Support – 10 meetings per year and additional fee for taking minutes ONLY WHEN BoD Secretary not present.
- d. HOA Volunteer Training

9. Transition Plan

- a. Well thought out plan where Vista would prepare a letter of introduction, meet with BoD, arrange for transfer of HOA operating funds, strategize management transition with owners, meet with vendors.

Conclusion: This is an excellent and thorough proposal and it has my vote. It covers many necessary areas which are significantly vital to the proper functioning of the Board and which are currently not being adequately addressed.