



February 4, 2009

Joel Yesley, President
Alliance for a Better Columbia
P.O. Box 735
Columbia, MD 21045

RE: January 6, 2009 Letter to Ms. Maggie, Brown, President

CC: Columbia Association Board of Directors

Dear Mr. Yesley:

This responds to your letter of January 6, 2009 following up on your letter of October 7, 2008. As I previously stated, your October 7th letter did not constitute a request for books and records of the Columbia Association pursuant to the Homeowners Association Act. Rather, it sought to engage CA in a debate regarding the propriety of CA's policies regarding use of vehicles by certain CA team members. Moreover, to the extent that you requested additional data beyond all of the information that we have already provided to you, a response would require CA to assemble information from numerous sources in order to provide you with a customized report.

You have quoted language in a letter from Rebecca Bowman to Sheri Fanaroff in support of your claim that you are still entitled to additional information regarding vehicles. Presumably, however, you also are aware that CA in responses to Ms. Bowman, a copy of which were sent to Alex Hekimian as then President of the Alliance for a Better Columbia ("ABC"), expressed its disagreement with the view stated by Ms. Bowman. Moreover, in order to respond to your October 7th request for further information on use of CA vehicles, we estimate that it would cost CA approximately \$1,200 to prepare a responsive report. I am sure that ABC would agree that such substantial costs should not be borne by other annual-charge-paying residents merely because of your request.

We have enclosed, however, a copy of a memo dated November 14, 2008 regarding CA vehicles that was prepared for CA's board subsequent to your October 7th letter. The board voted in December to disclose that memo to the public and consequently we are now able to provide you with that information.

Page 2

Joel Yesley, President
Alliance for a Better Columbia

Despite our disagreement, cited above, as to the level of detail CA is required to provide regarding its inability to respond to a request for information, in an effort to clarify the burden that would be imposed on CA, we have set forth below our responses to the inquiries in your letter of January 6, 2009:

Letter:

The Columbia Association has spent probably \$2 million dollars for the Lawson financial system including the software, installation, setup, upgrades and technical support. The system is designed to easily retrieve information like that in the questions we have asked. We are not asking for programming, but merely for information that can be generated from this financial system. It is therefore not reasonable to say that it is too much trouble or that it would require a programmer to answer our questions. The questions are reasonable and you are required by law to answer them.

Response:

The Lawson financial management system is a robust system but, like any software, only has the capabilities to report information that is entered in the system. The detailed level of information that is being requested regarding "fringe benefits provided to approximately 44 employees" is not information entered into Lawson because the cost of entering this information would exceed the benefits received from maintaining that data. Any reimbursement, allowance, or personal use of a CA vehicle is governed by CA's vehicle policy (a copy of which is enclosed), which is in compliance with IRS regulations. Additionally, your comment regarding the amount of money spent on the Lawson financial management system is not accurate.

Letter:

If you disagree about the need for programming, we are entitled to a detailed explanation as to exactly what programming you allege would be required and the man hours involved with such programming. We also request answers to the following questions:

Response:

As noted above, the information that is being requested is not input in the computer system; therefore, retrieval of that information is not a matter of programming. The preparation of this information would require manual retrieval from a variety of sources, including payroll records and vendor files, and some of this information is in offsite storage.

Letter:

How and where is the data stored at CA which would enable you to ascertain how many total miles a particular employee put on the CA-owned vehicle assigned to him and how many of those miles may have been for personal use?

Response:

Page 2
Joel Yesley, President
Alliance for a Better Columbia

Team members that have vehicles that are used for personal reasons report their mileage in accordance with IRS regulations. As discussed above, this information is stored with payroll files and is not entered into the computer system.

Letter:

How and where is the information stored at CA relating to payment of monthly business allowances?

Response:

See our answer above.

Letter:

How and where is the information stored at CA indicating the reason for assigning take-home vehicles to individual employees and the criteria used for determining the type of vehicle assigned?

Response:

That information is contained in the enclosed CA vehicle policy.

Regards,



Maggie J. Brown
President

MJB/nw
attachments



November 14, 2008

To: Cynthia Coyle
From: Rafia Siddiqui
Through: Maggie Brown
CC: Members of the Columbia Association Board of Directors
Subject: Questions Related to CA Vehicles

You asked several questions about CA vehicles; your questions are in bold regular type, and the responses follow in italics.

How many staff members (by name) have been assigned CA-owned vehicles to take home?

Out of the approximately 230 full-time team members, nine are currently assigned CA vehicles and allowed to take them home. The President also has a take-home vehicle, which is part of her contract. The team members are:

<i>Title</i>
<i>President</i>
<i>Assistant Division Director, Community Services</i>
<i>Director of School Age Services</i>
<i>Assistant Division Director, Land Maintenance</i>
<i>Assistant Division Director, Land Improvements</i>
<i>Director of Construction and Facilities Services</i>
<i>Aquatics Director</i>
<i>Assistant Director, Aquatics</i>
<i>Vice President, Sport and Fitness Division</i>
<i>Director of Operations, Sport and Fitness Division</i>

What is the justification for take-home use?

See the attached vehicle policy from the Team Member Handbook.

What is the operating procedure/guidance for permitting usage of CA vehicles both at work and when taken home?

See the attached vehicle policy from the Team Member Handbook.

How are records monitored to ensure that there is no misuse?

See the attached vehicle policy from the Team Member Handbook for the controls over the use of CA vehicles. Recently, we also implemented the use of the attached form.

19 VEHICLE POLICY

The policy of the Columbia Association with respect to team members' use of vehicles is as follows:

1. (a) A company vehicle for business and personal use may be assigned to the Columbia Association President.

(b) A company vehicle for business and personal use may be assigned to a Columbia Association Vice-President or Division Director whose business responsibilities require regular facility/open space inspections throughout the year. CA vehicles may be assigned for business and personal use, where in the judgment of the CA President, a team member's business responsibilities require it. Team members in positions whose job responsibilities require that they have a vehicle and who may be on call outside of business hours may have specific vehicles assigned for their business use. Those positions may include: Assistant Director of Construction and Facilities Services, Sport & Fitness Operations Director, Assistant Director of Land Maintenance, Assistant Director of Land Development, Aquatics Director, Assistant Aquatics Director, Assistant Director of the Community Services Division, General Manager – Youth Services, and Land Maintenance Operations Director. The vehicles are not to be altered in any way. No stickers or extraneous equipment such as bicycle, boat or luggage racks are to be added, applied or carried, except when the equipment is needed for CA business.

These vehicles may be parked at the team member's home overnight but must be left at the Columbia Association Maintenance Facility when the team member is out of town for personal purposes, such as vacation.

Other individuals or departments may be assigned specific vehicles for business use only; however, all such vehicles must be parked each evening and on weekends at the Columbia Association Maintenance Facility or the Hobbit's Glen Maintenance facility.

Occasional exceptions to overnight parking or for out of town business use must be approved in writing, in advance, by the President, or her/his designees.

According to the Internal Revenue Service (IRS), the team member's normal commute, i.e., the travel between home and the regular place of employment, is personal mileage, not business use. Any team member with a CA vehicle assigned to them specifically is required to track the use of that vehicle, both business and personal mileage, including the team member's normal commute. Mileage is to be tracked on the Mileage Log for Columbia Association Vehicles, according to the instructions on the form. Completed logs are to be signed by the team member and their team leader and submitted to the Payroll Department each month. According to the IRS, personal mileage is taxable compensation to the team member and will be reported as such annually on the team member's W-2. Failure to submit completed mileage logs will result in all vehicle mileage being reported as taxable compensation to the team member, per IRS regulations. Knowingly providing false information on the mileage log may result in disciplinary action, up to and including termination of employment.

2. Mileage reimbursement will be paid to Columbia Association team members who are required to use personal vehicles for business purposes. Mileage charts must be kept by the team member and approved for reimbursement. When traveling from home to a business location other than the team member's regular place of employment, the team member will be reimbursed for the cost of the portion of that travel that exceeds the distance of the team member's normal commute to their regular place of employment. When traveling from the team member's regular place of

employment to another location for business purposes, the team member will be reimbursed for the round-trip mileage.

The Business Mileage Reimbursement rate for CA team members is determined by using the IRS rates as the guideline. Team members who use personal vehicles for business purposes on a regular basis may establish a monthly reimbursement amount based on their average business mileage, which must be approved by the Division Director and the President. The monthly reimbursement amount will be reduced proportionally when (1) a team member is out of the office on leave (personal, sick, vacation, FMLA, etc.) or (2) when the personal vehicle has not been used for CA business for more than two consecutive weeks. It is the responsibility of the team member and their team leader to notify the Payroll Department when the team member's business use of their personal vehicle changes, i.e., when a team member's scheduled work hours increase or decrease or when job duties change so that miles driven for business increase or decrease for the monthly reimbursement amount to be changed to reflect the change in the amount of miles driven each month. Because mileage is not tracked when a team member receives a monthly mileage reimbursement, the monthly reimbursement amount is considered taxable income to the team member, per the I.R.S., and is included in the team member's taxable compensation and reported on their annual W-2 form. If this is unacceptable to the team member, then he or she must track and submit actual mileage driven on CA business to the Accounts Payable Department for reimbursement at the Business Mileage Reimbursement Rate.

3. All new Columbia Association vehicles will be purchased by the Director of Vehicle Maintenance based on current criteria for fleet vehicles dated March 1992 and a budget figure developed with the Division Director.

4. Team members assigned company vehicles are expected to obtain gas at the gas pump at the CA Maintenance Facility for the cost savings to CA. In an emergency, gas may be purchased using a CA procurement card at commercial gas stations.

5. Team members assigned company vehicles or driving their own vehicles on company business are expected to observe and comply with all federal, state, and local motor vehicle and traffic laws and regulations and drive in a safe and courteous manner.

6. Any traffic violation resulting in a civil penalty must be paid by the team member operating the vehicle and may result in disciplinary action. Failure or refusal to promptly pay the traffic violation, as ordered by the court or otherwise by law, may also result in disciplinary action up to and including termination of employment.

7. Team members must reimburse the Columbia Association for any costs associated with damages incurred to company vehicles as a result of the team member's negligence or unsafe or irresponsible act.

8. Any team member driving a company vehicle or personal vehicle on company business under the influence of drugs, alcohol, or medication (after confirmed positive testing) will be subject to immediate termination of employment. The Columbia Association reserves the right to test for the presence of alcohol and/or drugs following an accident involving a Columbia Association vehicle or a team member vehicle being used for company business, where such accident results or could have resulted in death, bodily injury, and/or damage to vehicles or other property.

9. Team members driving company vehicles or their personal vehicle for CA business must be in possession of a valid state driver's license.

10. Any team member who drives a company vehicle, or transports other Columbia Association team members or property in his or her personal vehicle, must notify his or her team leader if the team member has more than six points against his or her driver's license or if the team member's

license is suspended or revoked or if the team member is found guilty of driving under the influence of alcohol or drugs. Such notice must be provided by the next business day following the occurrence of such event. The Columbia Association will take disciplinary action as it deems appropriate.

11. A team member whose driver's license is suspended or revoked must cause his or her company vehicle to be returned to the CA Maintenance Facility. Such vehicles may not be left parked at the team member's home. After the team member's license is reinstated, the appropriate Division Director and the President will determine whether the team member will be permitted to continue driving a company vehicle.

12. No passengers other than participants in Columbia Association programs or Columbia Association team members on Columbia Association business may ride in a Columbia Association vehicle.

13. No personal use of Columbia Association owned vehicles is permitted without specific approval of management. No personal or "side trips" may be made while on Columbia Association business. This includes taking care of personal business. Use of company vehicles for personal use will be subject to disciplinary action up to and including termination of employment with the Columbia Association.

14. The use of motorcycles for Columbia Association business is not permitted.

15. All maintenance and use records for company vehicles are to be completed as directed by the appropriate team leader.

16. Any broken or worn parts, tires, etc. or any needed maintenance of company vehicles must be reported immediately to the appropriate team leader. Any accident, regardless of severity, must be reported immediately to the appropriate team leader.

17. All drivers of company vehicles must be eligible under the insurance the Columbia Association carries on its vehicles.

18. Team members using their own vehicles for a business purpose must carry the liability coverage required by state and local law and regulations. It is the team member's responsibility to have liability coverage.

19. At least annually, the Columbia Association will obtain from the Motor Vehicle Administration the motor vehicle records of all team members driving company vehicles. CA may use the information obtained from the Motor Vehicle Administration to determine whether a team member should be authorized or continue to be authorized to drive a CA vehicle or their personal vehicle for CA business.

20. The foregoing is not necessarily a complete and exclusive list of vehicle use policies. Violation of Columbia Association policies on vehicle operation is a serious matter and may result in immediate termination. The Columbia Association reserves the right to delete, change or add to any policies as necessary.

21. Fourteen and fifteen-year old team members may not operate any power-driven machinery, other than office equipment, and therefore cannot operate any form of vehicle, including golf carts or ice resurfacing machines (Zamboni).

22. Sixteen-year old team members and under MAY NOT DRIVE motor vehicles on public roads as part of their jobs – even if they possess a valid state drivers license. They may operate a golf cart on a golf course only, but are prohibited from driving them on public roads.

23. Team members under the age of 18 are prohibited from operating ice resurfacing machines (Zamboni)

24. Sixteen-year old team members may not drive vehicles on a public road during their hours of work.

25. Seventeen-year-old team members may perform limited driving of automobiles and small trucks (under 6,000 lbs) during daylight hours if:

- * the minor team member has a state license valid for the type of driving involved;
- * the minor team member does not have any records of any moving violations at the time of hire;
- * the minor team member has successfully completed a state-approved driver education course;
- * the vehicle is equipped with seat belts, and CA has instructed the minor that such equipment must be used;
- * such driving may not include more than two trips away from CA's place of business on any one day for the purpose of transporting passengers; transporting more than three passengers; or driving beyond a 30-mile radius from the place of business at which the minor team member is employed by the Columbia Association;
- * the driving is occasional and incidental –no more than 1/3 of the minor team member's work time in any one day and no more than 20 percent of the minor team member's work time in any work week.