

# **Fairlington Commons Council of Co-Owners**

3367 South Wakefield Street  
Arlington, Virginia 22206

October 12, 2010

## **Minutes of the Annual Meeting of the Fairlington Commons Council of Co-Owners**

The Annual Meeting of the Fairlington Commons Council of Co-Owners was held on Tuesday, October 12, 2010, at the Fairlington Community Center located at 3308 South Stafford Street in Arlington Virginia. Board President John D. Sinks called the meeting to order at 7:32 p.m.

Board members attending were President John D. Sinks, Secretary Arvy Myers, Treasurer Jim Sharpe, and At-Large Noah Greenblatt. Bernie Weaver served as Teller.

President Sinks presented the postmarked envelope demonstrating that the notification of the meeting had been mailed to the Co-Owners within the period of time prescribed by the By-Laws and the Virginia Condominium Act. President Sinks announced that the minutes of the 2009 Annual Meeting had been posted on the website and called for corrections, if any. There were none. A motion to accept the minutes as posted on the web site was made, seconded, and passed.

President Sinks appointed Bernie Weaver to serve as teller.

### **Officer Reports**

At-Large Member Noah Greenblatt deferred his report until later in the meeting when professional management would be discussed as he headed the professional management study group effort on behalf of the Board.

Treasurer Jim Sharpe highlighted several budget line items that were over budget due to winter storm and summer storm damage (i.e., snow removal and the shrub/tree removal line items). The total storm damage not covered by insurance is estimated to be between \$40,000 and \$50,000. Insurance claims from the August 5, 2010 storm are still pending. In addition, Treasurer Sharpe noted that the Commons reserves were approximately \$172,000.

Secretary Arvy Myers returned from his leave of absence and expressed appreciation for Bernie Weaver acting in his absence. Bernie performed the duties of the Secretary for approximately three months, including all the work associated with preparing for the Annual Meeting.

President Sinks summarized a number of contracts that were competed this year. He noted that we did not compete concrete work this year as planned because much of the

work that had been planned for this fall will be deferred until next year so money can be used to cover shortfalls in other budget line items due to storm damage. President Sinks explained that we will be undertaking roof replacement this fall in keeping with the roof replacement schedule of replacing three roofs per year. President Sinks expects a sizeable reserve deposit to be made at the end of this year, but depending upon the insurance claim payment from storm damage and additional unforeseen expenses, it will probably be less than the amount we budgeted.

To segue into the discussion on professional management, President Sinks reflected on several factors that have changed over the decades he has served on the Board:

- Fairlington Commons' aging infrastructure has resulted in an increase in the money the Board must manage, and the number of contracts to compete/oversee.
- Complying with the ever-increasing requirements of the Virginia Condominium Act has increased the paperwork burden on the Board.
- With the exception of himself, Board members are full-time members of the workforce.

In addition, President Sinks noted that the years-long relationship with Murphy and Associates, our accounting firm, will end in December 2010. The Commons' account falls significantly outside the firm's core business area and with the Commons seeking professional management; this is a good time for both parties to make a change. Finally, because our community liaison will be traveling more next year, his availability to support the Board will diminish, and therefore, even if self-management continues, the Board will need to seek additional support.

At-Large Member Greenblatt provided a summary of the work undertaken by the professional management study group. He also reported that there are four bids in response to the Board's Request for Proposals (RFP) that was released last month. One more bid is expected. Two of the four bids included only managing the financial aspects of the Commons. The other two are full service bids. Treasurer Sharpe noted that he is not comfortable with two bids, and a co-owner attendee asked if it was feasible to extend the deadline in the RFP. President Sinks noted that the deadline has been extended for one company from whom a proposal was solicited. [The Board solicited two additional bids the following day]. Another co-owner asked if any of the bidders worked for other Fairlington condominium associations, which was answered in the affirmative.

A co-owner asked about the cost impact of professional management on condominium fees. President Sinks explained that the cost will translate into approximately \$18 per door per month, which is about a 3% increase. Treasurer Sharpe remarked that when evaluating the proposals, a major consideration will be extra fees that management companies assess. He also stated that a move to professional management will mean the Board will have significant oversight responsibility.

President Sinks requested a Teller's report. Teller Weaver explained that because only 28.316% of co-owners were represented, there was not a quorum. Per the Bylaws, the Council of Co-Owners is permitted to form a Committee of the Whole, which can then

vote to advise the Board. The motion to form the Committee of the Whole was made, seconded and passed.

The motion to move forward to contract for professional management for Fairlington Commons was made and seconded. A short discussion followed and included:

- A co-owner suggested investigating the company Park Fairfax employed. At Large Member Greenblatt stated that one of those solicited by the Commons managed Park Fairfax.
- A co-owner thanked President Sinks for his years of service on the Board.
- Treasurer Sharpe spoke in favor of professional management because of the changing composition of the Board/replacement of long-serving members, that it would allow for enhanced contract oversight by the management company and the Board, and that co-owners may not be as reluctant to be critical of the Board if it is not managing the day-to-day operations of the Commons.
- President Sinks noted that in all cases except two, Commons' contractors were either the low bidder or second-to-low bidder in competitions over the past couple of years.

The advisory motion was voted on and passed with 25.209% voting for the motion, 4.093% voting against the motion, and 1.462% abstaining.

A motion to destroy the ballots in three weeks time was made, seconded and passed. A motion to adjourn the meeting of the Committee of the Whole was also made, seconded and passed.

The meeting adjourned at 8:33pm.

#### Minutes from the emergency meeting of the Fairlington Commons Board of Directors

The Board held an emergency meeting immediately following the adjournment of the Committee of the Whole. Board members attending were President John D. Sinks, Secretary Arvy Myers, Treasurer Jim Sharpe, and At-Large Member Noah Greenblatt.

A motion to contract with a professional management company was made, seconded and passed unanimously.

A motion to adjourn was made, seconded and passed.

The emergency Board meeting adjourned at 8:35pm.