

# Fairlington Commons Council of Co-Owners

3367 South Wakefield Street

Arlington, Virginia 22206

December 7, 2010

## **Minutes of the December 7, 2010 Annual Budget Meeting of the Council of Co-Owners**

President John Sinks called the meeting to order at 7:31pm. Vice President Noah Greenblatt and Secretary Arvy Myers were also present. Treasurer Jim Sharpe and At-Large Member Rob Hedley were absent. Bernie Weaver served as Teller at President Sinks' request.

### **Proof of notice of the meeting**

President Sinks presented the postmarked envelope showing the meeting notice was mailed on November 12, 2010, well before 21 days prior to the meeting as required by the Virginia Condominium Act.

### **Motion to dispense with reading of the Minutes from Previous Council Meeting**

A motion was made and seconded to dispense with the reading of the minutes from the previous council meeting and accept the minutes as posted at the Fairlington Commons section of the fairlington.org website. The motion carried unanimously.

### **Officer Reports**

Secretary Arvy Myers had no Secretary's report but presented information gathered by Treasurer Jim Sharpe, who was absent because of work obligations, on storm-related expenses in 2010. The cost of the snowstorms early in the year totaled approximately \$149,000 of which approximately \$95,000 was reimbursed by insurance. The cost of the August 5<sup>th</sup> storm was approximately \$63,000 and insurance reimbursed the Commons for about \$19,700 of that total. The total non-reimbursed expenses taken out of the Fairlington Commons 2010 budget to cover storm-related expenses was approximately \$97,300.

Vice President Noah Greenblatt had no report.

President Sinks discussed the ongoing efforts to obtain professional management for the Commons. President Sinks explained that three bids received by the Commons were determined by the Board had the breadth of scope of appropriate professional management

for the Commons. All three companies met with the Board to discuss their proposals and the Board was unanimous in their ranking of the proposals. Because of the importance of the contract provisions, the Board has requested counsel to carefully review the contract from the highest ranked firm. That effort is ongoing. The company has accepted in principle all of the specific management-oriented changes requested by the Board, but negotiations on general terms and conditions are underway.

When condominium fees are remitted in January 2011, they will be sent to a new address to be stipulated by the new professional management company. Co-owners will be notified of the new address after a contract for professional management is signed. The professional management company will accept web bill pay and electronic payment.

Co-owner Will Kniseley expressed surprise at the small number of proposals received in response to the Board's request for proposals and asked whether the Board attempted to solicit others. President Sinks explained that the Board did undertake that effort, and that some large companies declined to bid because the Commons did not have its own employees and those companies considered the Commons too small to manage. Mr. Kniseley also asked if any of the companies had relationships with other Fairlington communities. President Sinks responded that all three did.

Co-owner Arnie Malin asked when new payment slips reflecting the condominium fees would be sent out to Co-owners. President Sinks stated that they would be sent out after we signed a contract with a professional management company. President Sinks added that the Board is considering waiving January late fees because the notification of increased fees would not be available to Co-owners until later than usual.

President Sinks asked for a Teller's report. Teller Weaver stated that the number of Co-owners represented was significantly short of a quorum. President Sinks noted that if a quorum was not achieved, pursuant to the Commons' By-laws, the meeting would move into a Committee of the Whole and an advisory vote on the proposed 2011 budget would be taken before the Board moved into an emergency session following the annual budget meeting to consider passage of the 2011 budget (the specific By-laws provisions are at the end of this document).

### **Issues pertaining to the Budget**

President Sinks highlighted several areas of the proposed 2011 budget:

- Professional Management was estimated to cost \$50,000.
- The insurance budget line item reflects a \$5,000 increase in insurance premiums

because the value of our buildings continues to increase with inflation, and the Commons is losing “favorable claims history” status because of the recent storm-related insurance claims.

- Co-owner Arnie Malin asked if professional management companies indicated to the Board that they would be able to save the Commons money on insurance. President Sinks noted that one company made such a claim, but that the potential savings had not been quantified. He stated that the insurance budget line item in the Board’s proposed 2011 budget is a realistic estimate based on current cost rather than an estimate based on hopes that may or may not materialize.
- The water/sewer budget line item reflects a \$5,000 increase over last year’s budget because of County rate increases.
- An additional \$17,200 is allocated for reserves in the proposed 2011 budget. Of this total, \$5,200 would be allocated to paving reserves to account for increasing paving prices because of increased petroleum costs. \$10,000 of this total would be placed into a new reserve fund for tennis court resurfacing, which is expected to cost about \$30,000. The tennis court will need resurfacing in three years. President Sinks reported the total current reserves of the Commons as \$200,957.79.
  - Co-owner Will Kniseley asked if the storm damage expenses from 2010 would be withdrawn from reserves. President Sinks responded that they would not.
  - President Sinks stated that at the end of December, another reserve deposit would be made, the size of which would depend largely upon whether or not the Commons signs a roofing contract this month for 2011 roofing. If a rebate on synthetic slate expires at the end of December 2010, the Board would contract for 2011 roofing this month to realize the savings on roofing materials that will be used in 2011. The cost of the deposit and roofing materials is could be as high as \$30,000 to \$40,000 so the company could purchase the slate this year. If a roofing budget is not signed this month, money would be available for deposit to the unrestricted reserves.

President Sinks requested a Teller’s report. The Teller reported that 25.161% of Co-owners were represented at the meeting, and that a quorum had not been achieved.

A motion to move into a Committee of the Whole was made, seconded, and passed unanimously. There was no further discussion on the budget.

An advisory vote was taken from the Co-owners present. During voting, Secretary Myers talked about the future of the fairlington.org website in light of the retirement of its longtime

webmaster and creator, Ron Patterson. Secretary Myers reported to the Council that the Commons purchased the domain name “FairlingtonCommons.org” along with one year of web-hosting so that the Commons can manage its own website. He stated the current plan is for fairlington.org to continue with a new webmaster, and that the Commons’ own website would be linked to the fairlington.org site and some information would be placed on both websites for the foreseeable future. Having its own website will make the Commons less dependent on an unknown webmaster, which could be important because it is unrealistic to expect any future webmaster to be as responsive as the current webmaster of fairlington.org. FairlingtonCommons.org is expected to operational early next year.

Co-owner Will Kniseley asked what could be done to ensure that meeting minutes were posted in a more timely fashion. Secretary Myers reported that all minutes had been posted, and that every effort would be made to post future meeting minutes in a timely manner. Mr. Kniseley asked when minutes from this meeting would be posted, and Secretary Myers responded that they would probably be posted in a week.

Teller Bernie Weaver reported the voting results. 90% of those represented voted for the budget, 7% voted against the budget, and 3% abstained.

A motion to adjourn the Committee of the Whole was made, seconded and passed unanimously.

The Board immediately held an emergency meeting following the Council meeting to set the budget for 2011. The meeting was called to order at 8:00pm. President John Sinks, Vice President Noah Greenblatt, and Secretary Arvy Myers were present.

A motion to approve the Board-proposed 2011 budget was made, seconded and passed unanimously.

The emergency Board meeting adjourned at 8:01pm.

Note: The procedure following in this meeting was in accordance with By-laws provisions designed to ensure that the business of the Commons can move forward in the absence of a quorum. The following sections from Article III of By-laws on Quorum and Committee of the Whole were applicable.

***Section 7. Presentation of Credentials.*** At meetings of the Council of Co-Owners, those attending shall identify themselves, submit proxies, and give notice of revocation of proxies

to the presiding officer or the presiding officer's representative. Upon acceptance of their credentials, they shall be issued ballots. The presiding officer or the presiding officer's representative shall determine whether a quorum is present in person and proxy. The presiding officer may call the meeting to order and commence with business after the announced time of the meeting but before it has been determined that a quorum is present. However, no vote shall be taken the Council of Co-Owners on items of business announced in the notice of meeting, on unfinished business, or on new business in the absence of a quorum.

**Section 8. Order of Business.** The order of business at all meetings of the co-owners of Family Units shall be as follows:

- (a) Proof of notice of meeting or waiver of notice.
- (b) Reading of minutes of preceding meeting.
- (c) Reports of officers.
- (d) Report of committees.
- (e) Business announced in the notice of meeting.
- (f) Unfinished business.
- (g) New business.

**Section 9. Committee of the Whole.** If a quorum of the Council of Co-owners is not present, the presiding officer may form a Committee of the Whole. This committee can vote on business announced in the notice of meetings\*, unfinished business, and new business, but the votes shall be for the advice of the Council of Co-Owners and the board of directors only. These votes shall not limit the board of directors from exercising any of its proper powers, including the appointment of directors to fill vacancies on the board of directors and the establishment of a budget.

Respectfully submitted,

//signed//

H. Arvy Myers  
Secretary