

Fairlington Commons Council of Co-Owners

3367 South Wakefield Street

Arlington, Virginia 22206

December 2, 2009

Minutes of the December 2, 2009 Annual Budget Meeting of the Council of Co-Owners

President John Sinks called the meeting to order at 7:35pm. President Sinks noted that we were able to proceed with normal business up to the point at which we would vote on the budget, despite probably not having a quorum present at the meeting. Please see applicable by-laws at the end of this document.

Proof of notice of the meeting

President Sinks presented the postmarked envelope showing the meeting notice was mailed before 21 days prior to the meeting, which is 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. The motion carried unanimously.

Officer Reports

At-Large Member Noah Greenblatt discussed the intention to form a committee to study options for professional management for the Commons.

Treasurer's Report: Treasurer Jim Sharpe noted that, effective Jan. 1, 2010, a \$25 charge would apply to checks, including those returned for insufficient funds. He also reported on the status of reserves and on money that had been placed in short-term certificates of deposit.

Vice President's Report: Vice President Rob Hedley discussed his conversations with Murphy and Associates on accounting procedures used by Fairlington Commons.

Co-Owner Bernie Weaver asked if there was any indication in the preliminary discussions with the accountants that there were any problems with Fairlington

Commons' financial management. Vice President Hedley stated there were none.

President's Report: President Sinks discussed the various concrete and masonry work that would be undertaken within the month in the Commons. He also discussed the decks and fences that would begin next week, and then explained that maintenance would be performed on the slate roofs prior to the end of the year.

Past work was also discussed, which included: snaking stairwell drains and roof replacement on S. Wakefield Street.

A Co-Owner asked about the locations of the concrete work in the Commons.

- 4521-4527 S. 34th Street
- 3322 and 3316 S. Wakefield porches and walks.
- 3336A S. Wakefield stoop
- 3321B S. Wakefield stoop and walk will also be replaced.

A Co-Owner asked if downspouts are run underneath the sidewalk when sidewalks are replaced. President Sinks stated that when sidewalks are replaced on the lower path, downspouts run under the sidewalks. For this season, however, we are not removing/replacing sidewalks on the lower path.

A Co-Owner noted that at the time of renovation, some back porches were improved by making them larger. Some are showing cracks along the seams. Is this something to be concerned about and reporting to the Board?

President Sinks responded that anytime a Co-Owner sees a problem, they should report it to the Board.

Issues pertaining to the Budget

Co-owner Brenda Kriegel asked if President Sinks could explain what the Community Liaison does and what Office and Meeting expenses line item is used for. President Sinks explained that the Community Liaison responds to routine problems (maintenance issues, tree pruning, etc.) as well as special tasks assigned by the Board. Within the last month, Community Liaison Eric Pamer walked the Commons looking for violations of Trash Rules because we have received a number of complaints about this issue and his responding to these complaints removes a burden from the Board.

Office and Meeting expenses includes printing and mailing of coupon books, printing

and mailing meeting notices, newsletters

Banking Costs

A question was raised about banking costs. Banking costs are due to the bank providing lockbox services. Prior to using the bank's lockbox services, the Commons had an accounting firm perform this function. There were a number of problems with handling co-owner fee payment in this manner. Cash flow was not as smooth as it is today.

We might investigate changing banks next year if we find one with lower fees (and good service).

A Co-Owner asked if our accounting firm would perform the lockbox service. President Sinks responded that they would not. They do deposit the checks.

A Co-Owner asked that if in the future, would there be an option to pay the condo fee online. It is possible to pay the condominium fees electronically through many banks.

A Co-Owner asked if the Board could create another column on the budget that shows which items are being competitively bid. The Board has already disseminated this information, so President Sinks stated there is not a need for this. President Sinks stated the number of places this information can be found, including on the Commons' website, where all Board meeting minutes are posted. He also noted the page is already full.

A Co-Owner asked why is our snow removal not fixed-fee. President Sinks stated he knows of no contractor that would agree to a fixed-fee contract for snow removal due to the variability of snowfall in this area.

A Co-Owner asked about trash cans placement outside on the walkway area on the lower path. Trash cans are prohibited in the common element.

A Co-Owner asked if with increased trash collection (to six days per week rather than two), whether there was a lot of extra wear and tear on the streets and parking lots. President Sinks noted that this was discussed by the Board but was not considered a sufficient concern.

Because a quorum was still not present, there was a motion to form a committee of the whole, which was seconded, and passed.

An advisory vote was taken from the Co-Owners present.

Teller Bernie Weaver reported the results:

67 units are represented. 59 voted for the budget, 2 against, with 6 abstentions.

This translated into 26.915% of Co-Owners voting for the budget, 0.952% against the budget, with 2.436% abstaining.

President Sinks explained that he saw no reason to recess and collect more proxies given the large margin by which the Co-Owners favored passing the budget.

President Sinks adjourned the Council Meeting.

The Board immediately held an emergency meeting immediately following this meeting to set the budget so the accountant could print and distribute the coupon books. All members of the Board were present

A motion to approve the budget recommended by the Board was made and seconded. The budget passed unanimously.

Co-Owner Brenda Kriegel noted would not vote for any budget that did not include information about which contracts were competed. President Sinks responded that that her comment was noted and addressed in his earlier response during the Council of Co-Owners meeting, which occurred immediately before this emergency Board meeting.

President Sinks noted that all Board meetings are open to the co-owners and notice of the meetings are posted to the website.

Co-owner Brenda Kriegel brought up architectural standards and variance among units.

The meeting was adjourned.

Note: The procedure following in this meeting was unusual, but in accord 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.