

(APPROVED)

FAIRLINGTON GLEN COUNCIL OF CO-OWNERS

May 7, 2009 Minutes

Held at Fairlington Community Center

ATTENDEES

Robert Patrician, President; John Fuller, Vice President; Margaret Windus, Treasurer; Kathy Clatanoff, Secretary; Terry McGuire (Cardinal Management). Jasper Thomson, At-Large was not present.

Glen Co-owners: Alison Burns Trimble, Court 15, Maynard Dixon, Court 16, Regina Smith, Court 9, Paul Coelus, Court 11, Lara Robillard, Court 16, Liz Finos, Court 16, Lori Derkay, Court 12.

CALL TO ORDER

The meeting was called to order at 7:30pm by Bob Patrician.

Agenda Item 1: RESIDENTS' FORUM

- Bird Seed and Mice. There have been reports of rodent activity as a result of bird seed on the ground near Courts 16, 9 and 15. The Board has sent a note to each resident of those courts reminding them not to place any seed outside the patio areas. Cardinal has asked the exterminator to replace the rodent boxes in the areas behind those courts. We hope that this will take care of the problem.

Agenda Item 2: SECRETARY'S ITEMS

5.07.09.01 MOTION

Moved to approve the minutes of April 8, 2009 as amended.

Motion passed unanimously.

The weather has not been helpful so far this month, however, we have every expectation that EE will be able to complete the landscaping work at the pool by the time it opens on May 23. As a part of the landscaping effort, we will also purchase several items, such as planters and benches, to complement the entrance.

5.07.09.02 MOTION

Moved to confirm approval of a contract with EE Landscaping for \$17,347 to landscape the grounds at the pool complex.

Motion passed unanimously.

5.07.09.03 MOTION

Moved to confirm approval of a contract with EE Landscaping for \$3,763 to lay sod around the pool complex.

Motion passed unanimously.

5.07.09.04 MOTION

Moved to confirm approval of an amount not to exceed \$2,000 to come from reserves for the purchase of items for the entrance to the pool complex.

Motion passed unanimously.

Agenda Item 3: PRESIDENT'S ITEMS

- A series of last-minute changes were required in order to obtain the necessary permits from the County to occupy the new maintenance building at the pool. Hopefully, this is everything. The gates have been installed, the construction trailers should be removed next week, and the building is ready. We are on-track to open on Saturday, May 23.

5.07.09.05 MOTION

Moved to confirm a change order to Johnson Construction for \$4,311.

Motion passed unanimously.

- Apparently Comcast has still not signed the agreement on installation guidelines. Bob is continuing his on-going conversations with our attorney to pursue the matter.
- The FCA has arranged a Fairlington Walkthrough with Arlington County officials for Tuesday, May 12 at 6:30pm. It will start at the community center and provides an opportunity for informal interaction between Fairlington residents and Arlington County.

Agenda Item 4: COMMITTEE ON VOTING PROCEDURES

Maynard Dixon, joined by Lori Derkay and Paul Coelus, presented the report of the Committee on Voting Procedures (attached). The recommendations include expanding the time-line for initial notification of the Annual Meeting to 8 weeks, which should allow ample opportunity for discussion of proposed amendments between Fairlington residents and the Board prior to setting the final agenda. The Committee also submitted a revised proxy form, as the Board had requested.

The Board thanked the Committee for what was obviously a time-consuming and thoughtful process.

Agenda Item 5: TREASURER'S REPORT

- Out of 56 sewer laterals in Fairlington Glen, we have now relined or replaced 54. The remaining two we will leave alone for now.
- The Finance Committee will meet in early June. Note that our reserves are currently low, but we have been able to accomplish both the pool construction and the sewer work without any borrowing. We will now concentrate on re-building our reserves.

Agenda Item 6: MANAGEMENT AGENT REPORT

- Terry presented the Association's tax returns for signature – they were signed and returned to him.
- Thrive has completed the tree work for individual co-owners which Terry was coordinating.
- Terry mentioned that he should have the originals of the opt-out forms for both red reflectors and pesticide use.
- We will re-bid both the painting and the landscaping contracts this year. The landscaping committee should be reviewing the SOW requirements for the landscaping contract.

5.07.09.06 MOTION

Moved that the Board go into closed session to discuss and consider the personal liability of unit owners to the unit owners' association, consistent with Sec 55-79.75C

Motion carried unanimously.

5.07.09.07 MOTION

Moved that the Board returns to open session. Motion carried unanimously.

5.07.09.08 MOTION

Moved to turn case 3078 over to counsel if payment is not forthcoming by the May due date.

Motion carried unanimously.

5.07.09.08 MOTION

Moved to instruct counsel to conduct interrogatories in case 2013.

Motion carried unanimously.

5.07.09.09 MOTION

Move to adjourn. The motion carried unanimously. The meeting was adjourned at 9:15 pm

The next scheduled board meeting will be held on Thursday, June 4 at 7:30pm.

Respectfully Submitted,
Kathy Clatanoff

**FAIRLINGTON GLEN
BOARD OF DIRECTORS**

May 7, 2009

7:30 pm

FCC—3308 S. Stafford St.

- 1. Residents' Forum**
- 2. Secretary's Items (Kathy Clatanoff)**
Minutes 4 8 09.doc
Pool Complex Landscaping.pdf (confirm)
- 3. President's Items (Bob Patrician)**
Fairlington Glen – Change Order #3.jpg (confirm)
Comcast Update
FCA-sponsored Walkthrough May 12.pdf
- 4. Committee on Voting Procedures (Maynard Dixon)**
Voting Procedures Report Draft (4).doc
- 5. Treasurer's Items (Margaret Windus)**
Sanitary Sewer Renovation May 2009.doc
Budget Update
- 6. Management Report (Terry McGuire)**
Birdseed and Rodents, Court 16.pdf
Action List 5.1.09

Memorandum

May 6, 2009

To: Fairlington Glen Board of Directors
From: Committee on Voting Procedures
Subject: Final Report

The Board directed the Committee on Voting Procedures (Committee) to consider at least the following topics and to report back to you by May 15, 2009:

- Review the history of budget voting, especially as it relates to budget amendments and the budget amendment process in the Glen.
- Review the proxy form, compare with proxies used by other condominium associations, and prepare a proposed proxy and ballots.
- Consider what might be considered appropriate and inappropriate budget amendments and recommend guidelines for Board consideration.

We hope that this report meets your expectations.

Glen Budget Voting History

We have reviewed Margaret Windus' historical material on Glen budget amendments. This material is attached as an appendix.

In 1977, the Board adopted a procedure requiring that the Board submit the budget to the community at least 4 weeks prior to the annual meeting, that budgetary amendments be submitted to the Board at least 2 weeks prior to the annual meeting, and that the Board submit its views to the community at least 3 days prior to the annual meeting. Although this procedure was followed fairly consistently, it was not included in the handbook for the benefit of future residents.

There has apparently never been a formal procedure that would avoid problems that might arise when owners would mail their proxies before they received amended proxies reflecting amendment proposals received after the initial proxy mailing. (For example, issues might arise over whether the earlier proxies should be votes for or against the amendments.) This may be because nobody raised such issues.

There have been at least two instances where no-funds-shall-be-expended-for amendments have been proposed: 1991 and 2008.

On the floor of the annual meetings, presiding officers determined what they considered to be the logical order of voting on the budget, and the proxies were examined and voted to determine the outcome of the individual votes. The usual procedure was (1) to vote first on whether to add an amendment to the budget proposal and then (2) to vote on (a) the budget as amended or, if the amendment did not carry, (b) the budget as originally proposed by the Board. The material provided by Margaret Windus reveals no controversies over whether the questions posed on the proxies matched the questions put to a vote, how votes were to be counted, or what constituted a majority.

Proper Budget Amendments

At the 2008 Annual Meeting, the Council was asked to vote on a matter (pesticide use) which had the character of a policy statement but was presented in the form of a budget amendment. The question was raised whether such matters are properly handled as budget amendments or should instead be dealt with as stand-alone issues.

This question should be addressed from two perspectives: a broad perspective, based on how the Bylaws allocate responsibility between the Council and the Board of Directors, and a narrow perspective, based on practical considerations of taking a vote among 352 co-owners.

Fairlington Glen can accurately be described as a “direct” democracy. While the Council elects a board of directors to *administer* the Project, the Council retains policymaking authority—the “ultimate responsibility of administering the Project.” (Bylaws Article III Section 1.) In principle, therefore, the Glen’s policies are to be *determined* by the Council and *implemented* by the Board. From this perspective, any matter that rises to the level of a policy decision must be voted on by the Council at a regular or special meeting.

From a practical standpoint, however, getting even a quarter of the co-owners together for a vote is difficult and costly. The term *policy*, therefore, should be reserved for those matters which significantly affect the community (including a minority of co-owners or residents), rather than day-to-day matters best left to the managerial discretion of the Board. Whether something is significant is a matter of judgment, but at minimum this would include matters affecting health, safety, property values, or quality of life in the Glen.

In addition, voting on amendments is difficult because proxy voting (the predominant method in the Glen) is not particularly suitable for multiple rounds of voting, or for voting in the alternative.

Accordingly, we recommend the budget amendment process be used to resolve the question of the proper *amount* to be spent on a particular line item (or category), rather than the question whether the Glen ought to be engaged in a particular activity in the first place. For

example, whether the Glen should assume the responsibility of maintaining the exteriors of all residential units is probably a matter of policy, but whether we should spend \$100K or \$110K in a given year to do this is not. Matters of policy should be resolved as main motions separate from the main motion of the proposed budget.

Applying this recommendation to the pesticide amendment at the 2008 annual meeting, the Council could have voted on the budget and the pesticide issue as independent main motions (in any order).

A determination that a proposed amendment is not a “proper” budget amendment does not mean it should not be voted on at all. Policy questions such as the pesticide amendment must be voted on by the Council, but they can (and probably should) be treated as independent main motions.

Voting Guidelines

We urge the Board to amend the Handbook by adding the following new provision on voting procedures:

Annual Meeting Voting Process

At least 8 weeks before the annual meeting, the Board will distribute to eligible co-owners an initial annual meeting packet containing: (1) the proposed budget; (2) nominations for the Board; (3) any explanatory or candidate material; (4) draft minutes of the prior annual meeting; and (5) any other motions for proper consideration at an annual meeting. The initial packet will not include proxies. In the cover letter for the initial annual meeting packet, the Board will: (a) announce a deadline of at least 2 weeks for submission of (1) proposed amendments to the budget, (2) other proposed agenda items or motions, and (3) any other nominations for the Board, giving the actual expiration deadline-date; and (b) state that this deadline will be strictly observed and that no amendments or Board nominations will be allowed from the floor.

At least 4 weeks before the annual meeting, the Board will distribute a second annual meeting packet containing a proxy form allowing owners to vote on the budget proposed by the Board, any timely proposed amendments, nominations for the Board, and other motions that are appropriate for consideration at an annual meeting. If amendments to the budget, other motions, or other Board nominations have been timely proposed, the Board will include: (a) statements of reasonable length (to be determined by the Board) from the proponents of the amendments or other motions; (b) statements of not more than the same lengths from the Board stating its positions on the amendments or other motions; and (c) any additional candidate material.

Prior to distribution of the second packet, the Board will communicate with the proponents of amendments or other motions in an attempt (1) to avoid disputes over the wording of the proxy and the length of supporting material and

(2) to avoid budget amendments or other motions that may be inconsistent, unlawful, needlessly complex, or in violation of our bylaws.

This provision would help to build fairness, predictability, and adequate advance consideration into the amendment process. By requiring all votes to be marked on a single proxy form, this provision would do much to avoid controversies like the one that arose over the pesticide amendment at the last annual meeting.

The prohibition on amendments or Board nominations proposed from the floor of annual meetings would preserve the integrity of the Glen's proxy voting procedure by assuring co-owners who are unable or who prefer not to attend – often the majority of co-owners – that the matters appearing on proxies will be the matters that will actually be considered at the annual meeting. Co-owners need to know that meeting agendas will not be hijacked by those who attend in person.

The proposed 8-week schedule would allow 2 weeks for the submission of amendments and nominations. Two weeks should be sufficient in light of past practice and the Board's recent practice of involving the community in budget development before the final proposed budget is mailed.

The Board and the proponents of amendments would then have 2 weeks to work-out how they are to be reflected on the voting form. This interval could also be used for analysis or negotiation.

The Board would then have 4 weeks thereafter to collect the proxies that are circulated. This should be sufficient in light of the recent bylaw reduction in the quorum requirement.

By using "at least" before the deadlines, our proposal would allow the Board to lengthen the process in return for an earlier mailing of the budget and to allow for delivery delays.

Revised Proxy Model

Attached as an Appendix is a revised model proxy. The section containing "Special Instructions" will not cover every conceivable situation that could arise when amendments are proposed, but it should cover the most common situations.

The proposed proxy form makes clear that:

One. A proxy holder shall have the right to vote and exercise all powers that a co-owner would possess if personally present.

Two. If a co-owner does not write in the name of an individual to act as proxy, the co-owner shall be deemed to have appointed the Secretary as his/her proxy. In such case, the power delegated to the Secretary is limited to establishing the co-owner's presence for purposes of a quorum and voting exclusively in accordance with any instructions. This ensures against a Secretary with unconventional views imposing those views on co-owners.

Three. No witness is necessary when signing a proxy.

Four. An uninstructed proxy authorizes the holder to vote as he/she sees fit on all issues, subject to the qualification in Two above. Section 55-79.77 D. of the Virginia Code provides that “[t]he proxy shall include a brief explanation of the effect of leaving the proxy uninstructed.” The proposed proxy does just that.

The proposed proxy form differs from past Glen proxies in these ways:

One: It does not contain a blank for Vote Code, as appeared in the Glen’s 1988 proxy.

Two: It does not contain a blank for Unit Number, which most owners don’t know.

Three: It omits use of the phrase “Know all persons by these presents.”

Special Instructions

Special instruction no. 1 is set forth to call for a vote on an amendment to the proposed budget *prior to* voting on the proposed budget itself. This is consistent with Roberts Rules of Order. Instruction no. 2 is set forth to call for a vote on the proposed budget without knowing the result of the vote on the amended budget. Thus, it provides for two possibilities: the amended budget was adopted or defeated. This avoids multiple rounds of voting, which is impractical at an annual meeting. It may be that an explanation of the purpose underlying instructions 1 and 2 is necessary in a cover letter accompanying the proxy form.

Majority of Votes

Under the existing Bylaws, Article III, Section 1: “Except as otherwise provided, decisions and resolutions of the Council shall require approval by a majority of the votes of the co-owners voting in person or by proxy at a meeting of the council at which a quorum is present.”

We believe that our current procedures are consistent with the Bylaws. When more than 50% of those voting on an issue or amendment vote “yes,” it will be approved; when more than 50% of those voting on an issue or amendment vote “no,” it will be rejected.

An example of the voting process would be: Co-owners would review and vote on any amendments one by one. The options would be “yes” or “no.” If more than 50% of those voting vote “yes” for Amendment 1, it would be approved. Then you move on to the next item. There is no need to limit the number of amendments for the eligible voters to consider. After all amendments are voted on, you move on to review and vote on the overall budget.

We interpreted “decisions and resolutions” to exclude voting for board positions. Under Glen practice, plurality voting has been accepted when there are multiple openings and the number of candidates exceeds the number of openings. This has avoided the need for multiple rounds of voting which would not be practical, and we see nothing in the Bylaws that would compel us to change this practice. In fact, under Article IV, Section 5, plurality voting could conceivably dictate the length of board terms. E.g.: if there are two openings, one for three years and one for two years, and there are three candidates, terms will be allocated according to the candidates receiving the most votes even though each candidate may have receive only a plurality.

Next time the bylaws are up for revision, the issue of plurality voting should be considered.

Attachment to Committee on Voting Procedures Report

GLEN BUDGET AMENDMENTS

1977 – 2005

1977. Four amendments to add items to the budget had been submitted by co-owners. The Board accepted and made part of the Board-recommended budget an amendment to use \$2,000 of the “Water and Sewer” line item under “Routine Operating Expenses” for the purchase of water-saving devices, without increasing the budget. Three other amendments offered by co-owners, all of which suggested budget increases, were opposed by the Board. Each of the amendments was then offered from the floor and after extensive pro and con discussion was voted down by the Council. The Budget as recommended by the Board was then adopted.

1978. The President noted that there had been only one amendment proposed to the budget under policies set by the Board and the Board had accepted the amendment. The budget before the Council for vote was, therefore, that distributed on November 2, as modified by the one amendment. It was then moved and seconded that the budget recommended by the Board be adopted, and the budget was adopted by acclamation.

1985. Two amendments to the budget had previously been proposed and would be voted upon before the Board’s budget. Amendment #2 was first discussed. This amendment stated: “Whereas the rate of inflation is less than 5% per annum, therefore resolved that the 1986 budget increase shall not exceed 5%, in accordance with the following [long list of line items and budget numbers]. After discussion of this amendment, a vote was taken whose results showed that Amendment #2 received 26% of the votes in its favor and 34% contrary. This amendment was, accordingly, not adopted.

Discussion then focused upon Amendment #1, which stated: “Delete Reserve Account #6290, Landscape Development, in the amount of \$10,000. Proposed 1986 Condominium fees to be reduced accordingly. The logic for this amendment is (a) landscaping of a mature community such as Fairlington Glen is inherently a recurring operating type expense and thus not suitable in reserve accounts; (b) provision for \$69,750 of landscaping maintenance has been made in the proposed operating expenses; and (c) if a new and acceptable long term master package for landscape improvements is approved the implementation of these improvements can be accomplished in other manners.” Following discussion of the above amendments a vote was taken showing that 34% were in favor of it and 26% opposed. Amendments #1 was, accordingly, adopted. Having superseded the Board’s proposed budget, Amendment #1 was then put to a voice vote and carried overwhelmingly [did they mean the entire budget?].

1986. Two amendments to the budget were received and presented by their sponsors. Amendment #1 called for the establishment of a fencing reserve and an initial funding of \$5,000. This amendment passed 39.58% to 15.97%.

Amendment #2 called for a reduction of \$25,000 in funding for 1987 to the roof reserve. This amendment failed 34.377% to 20.435. The budget, as amended, was then passed by acclamation.

1990. Laura Bultmeier presented proposed Amendments I and II, for 0 and 2.3 percent increase in condominium fees, respectively. The reductions focused on the “other” landscaping account and the fence replacement reserve. She pointed out that the Meadows total fence replacement program (removing old fences, building fences, installing gates) is \$200K. Amendment I reduces budget below 1990 level; Amendment II

leaves budget at 1990 level. There were no questions from the floor. Alan Bow stated that the Board stands by its proposed budget increase of 4.8 percent. He pointed out that the Meadows fence replacement is being done by assessment. There were comments from the floor regarding poor quality of fence materials and the installation itself. Those commenting were asked to bring this to the attention of the Management Agent. Question from the floor: What was reply rate to the fencing survey of several years ago? Approximately 50 percent. MOTION MADE AND DEFEATED THAT AMENDMENT I FOR 0 PERCENT INCREASE BE ADOPTED (5 for, 40 against). MOTION MADE AND DEFEATED THAT AMENDMENT II FOR 2.3 PERCENT INCREASE BE ADOPTED. (9 for, 30 against). MOTION MADE AND APPROVED THAT THE 1991 BUDGET PROPOSED BY THE BOARD OF DIRECTORS BE PRESENTED FOR VOTE BY BALLOT. The vote was then taken. The budget was approved by the Co-Owners (48.37 percent for; 5.59 percent against).

1991. “No funds authorized in this Budget shall be expended for chemical [that’s all there is, something must be missing—later found in Dec. 6, 1991 letter from President Joanne O’Neal that quotes the amendment: “No funds authorized in this Budget shall be expended for chemical treatment of Fairlington Glen Lawn Turf”].

Discussion: One co-owner complained about the process of preparing the amendment, namely that there were no proponents of herbicide spraying on the review committee, the report presented two absolutes rather than discussing any alternatives, and the amendment only limited community action but did not prevent any individual from using herbicides. Others noted that this is a budget issue and is properly presented as a budget amendment.

On the substantive question, some speakers felt that herbicides appear necessary to get rid of weeds, clover and the bees attracted to the clover, and that the landscape contractor should make this decision. One speaker recommended that the Board entertain a motion to examine more alternatives if the spraying plan was rejected. After some discussion about whether those present could move to direct the Board to so act, it was determined that a weighted vote with proxies was needed for budget amendments so the motion was to be renewed as under New Business.

In response to a query whether any spraying had taken place in 1991, the Board precedent said that no spraying has been done since 1989. Nor was anything planned or done in lieu of spraying in 1991.

Motion made and approved that the amendment be presented for vote by ballot. The amendment passed, by a proxy and present vote of 43.502% for and 13.954% against.

Motion made and approved that the budget as proposed by the Board of Directors, as amended, be presented for vote by ballot. The budget, as amended, was approved, by a proxy and present vote of 52.95% for approval and 3.071% opposed.

1992. As there was an amendment to the Budget proposed by a community member, the procedure was (1) presentation of the Board-proposed budget, (2) presentation of the proposed amendment, (3) vote on the amendment (4) vote on the budget as amended or unamended, depending on result of step (3).

MOTION MADE AND SECONDED TO PRESENT THE AMENDMENT TO THE BUDGET. John Fuller presented the amendment. He noted that the Board budget proposal acknowledged the attention needed to roofs, having allocated \$160,000 for roof replacement in 1993, but stated that there was concern that the roof

reserves per the proposed budget will remain at the end of 1993 considerably less than likely to be needed in 1994. John stated that per the Neblett Report, Bangor slate has a life expectancy no greater than 50 years, and the Glen is now 50 years old, and that Neblett commented 9 years ago on the poor condition of some roofs. He felt that the Boards in the 1980's had been aware of poor condition of roofs but nothing was done. John noted that the Kenney report (Glen carpentry contractor) of April 1992 stated that 29 roofs (those with Bangor slate) needed replacement. He felt that the engineering study about to be contracted will not conclude anything other than that major replacement of roofs is necessary, and will merely suggest types of replacement materials and time lines. He stated that the Board declared a policy of maintaining a reserve sufficient to replace 4 roofs per year, but felt that the proposed budget did not do so. [long, long discussion followed].

A MOTION WAS MADE AND PASSED TO MOVE THE QUESTION
THE VOTE ON THE BUDGET AMENDMENT WAS TAKEN. It was disapproved
[It would have been nice if the minutes said what the amendment was, but they don't.]

THE VOTE ON THE PROPOSED 1993 BUDGET WAS TAKEN. It was approved.

1998. This was the year of the amendments proposed by a Board member (Hal Vorhies) relating to the paddleball area near Cts. 3-4, and also to proposed reserve accounts to assume responsibility for tuckpointing of bricks and for foundation repairs to units. Both the amendments and the minutes are a bit confusing, because the minutes say the amendments all failed, and yet they also say that "It was noted that since the amendments did not pass, the tuckpointing and foundation Replacement Reserve line items will remain in the budget, but the owners have not approved the policy change for the transfer of responsibility from the owners to the Association. It was also noted that the Association can choose to make the repairs or leave this responsibility to the owners. An owner noted that she had voted incorrectly and expressed concern about the possibility that other owners did not understand the wording of the amendments and also voted differently than they had intended. It was agreed that the matter will again be addressed at the 1999 Annual Meeting, the explanations will be clearer, and the amendments will be included with the initial mailing." [The proposed amendments are in a PDF file.]

FAIRLINGTON GLEN BUDGET AMENDMENT PROCESS

Sources: Board Minutes, Budget documents

Jan. 13, 1977. "Ken Gubin and Hap Abrogast volunteered to make recommendations for improved annual meeting procedures. Their offer was accepted by the Board after discussion." [Note: The minutes are missing for the 1976 annual meeting, which was the first annual meeting after transfer from the developer. The November 1975 meeting was run by the developer and the initial Board was elected.]

Feb. 15, 1977. "Ken Gubin presented a proposal for handling budget amendments an annual meetings. After discussion the following procedure was adopted without dissent:

The budget as proposed by the Board of Directors will be submitted to the co-owners at least 4 weeks prior to the annual meeting. All individuals who intend to propose amendments to this budget are required to submit to the Board of Directors by 2 weeks prior to the meeting, a written statement of the subject matter and cost of their amendment. The Board will consider the change and submit its views, along with the statement of

the individual, to the co-owners at least 3 days prior to the annual meeting. Amendments from the floor at the annual meeting relative to the general subject matter previously submitted will be accepted. All other matters for which a proposal has not been previously submitted to the Board of Directors will be ruled out of order.”

The above process has been followed, with minor adjustments, even since. The only substantive change has been to tighten up the allowed amendments so that they all must be submitted ahead of time and none are allowed from the floor. Although the minutes do not reveal the rationale for the process, the comment in the Jan. 1977 minutes suggests that the 1976 meeting may have been somewhat uncontrolled in terms of amendments. A strong rationale for the process is that relatively few people attend annual meetings and the process set up in 1977 allows all co-owners to participate in voting on amendments, not just those who happen to come to the meeting. Otherwise, a small group of highly committed co-owners could, in essence, “hijack” the budget by passing amendments that co-owners might not back if they were present and voting.

The amendment process has been used from time to time (though some annual meeting minutes are missing and I don't have all past budgets so my information may not be complete). Amendments were proposed in 1977, 1978, 1985, 1986, 1990, 1991, 1992, and 1998. Some were passed, some were not, and on a couple of occasions the Board accepted an amendment ahead of time, thus incorporating it into its recommended budget. In each case the Board discussed the proposed amendment, decided whether to support it or not, and sent out to co-owners the amendment as proposed and Board views, so that co-owners could factor the views of both sides into their votes (assuming they had not already sent in their proxies, which of course could be retrieved).

Margaret Windus
June 15, 2005