

**Minutes of
Fairlington Green Condominium Council of Co-Owners
Annual Budget Meeting
Fairlington Community Center
October 26, 2005**

Board Members Present:

President George Grant, 4101 33rd Street South, Arlington
Vice President Pat McDermott, 3277 S. Stafford Street, Arlington
Treasurer Jeannie Clarke, 3269 S. Stafford Street, Arlington
Secretary Andrew Coleman, 3238 S. Stafford Street, Arlington

Management Representatives Present:

Steve Navar, Property Manager, Legum & Norman, Inc.
Samantha Sissman, Associate Manager, Legum & Norman, Inc.
Joseph Hairston, Parliamentarian
Cheryl Kenny, Recording Secretary

Call to Order: President Grant called the meeting to order at 7:24 pm. He announced that, based on the number of proxies in hand, a quorum had been achieved.

Proof of Notice: President Grant reported that this meeting is a continuance of the September 22, 2005 annual meeting of the Fairlington Green Condominium Council of Co-Owners, wherein a quorum had not been achieved. He reported that notice of this October 26, 2005 meeting had been mailed in accordance with the By-laws.

Approval of Minutes: Reading of the minutes of the September 8, 2004 Annual Meeting of the Fairlington Green Council of Co-owners was waived. Upon motion by President Grant, seconded by Vice President McDermott, the minutes were approved without amendment by unanimous hand vote of those present.

Reports of the Officers:

President 's Report: President Grant reviewed the annual meeting standing rules, and introduced the Board members then present. He then reported the following:

The third round of a three-year painting project has begun.

The Board has been attempting to address long-standing water/erosion problems that occur primarily in two main areas of the community, plus standing water issues in several other areas. The Board sought bids for this project, and three companies responded. Two of the bidding companies were far too expensive, and the third company did not show up

for multiple meetings to discuss cost issues. The Board plans to seek new bids. It is expected that the costs for this lengthy project will be very high.

In the next year, four roofs must be replaced. Recently, the costs of labor and roofing materials have increased considerably. Roof replacement is one of the most expensive tasks the association undertakes.

Information about Fairlington Green appears on the www.Fairlington.org web site. The site includes information about Fairlington Green community activities, dates of Board meetings, maps of the community, and old newsletters.

Grant has received many compliments about the landscaping within the Fairlington Green community. He praised the work of the Landscape Committee, and thanked committee members for their service.

Vice President's Report: Vice President McDermott presented an overview of the expenses that are covered by the condominium fees. Among those costs are trash and recycling, electricity, extermination, landscaping, parking lot paving, playground maintenance, insurance, snow removal, pool and lifeguard salary expenses, water and sewage, roof and gutter replacement, tennis court maintenance, other physical property maintenance and repairs, attorney and accounting fees, and property management fees.

Treasurer's Report: Treasurer Clarke reviewed the proposed FY2006 budget, and compared it to the budget for FY2005. She noted some areas of increased costs, such as legal expenses and higher water and sewer bills. Clarke said that water and sewer bills had a net increase of 15 % last year, and have gone up another 15 % for the coming year.

Clarke outlined her concerns about the possibility Arlington County may take over trash removal services, and described efforts to fight that change. She said costs are likely to go up for the association should the County oversee these services.

Clarke reported that costs for electrical repairs would be moved from the building maintenance category to a line item for electrical repairs. Costs are primarily for repairs to the wiring of the aging carriage lights.

An 8% increase in condominium fees for FY2006 is proposed. Overall, this year will end with a \$28,000 deficit, which will be covered by this year's reserves. The reserves in 2005 were about \$146,000, and will be approximately \$135,000 for 2006, even with an increase in condominium fees. A study of the optimal amount of reserves should be done in the next year or so.

Clarke reviewed some of the items that are paid from the reserves replacement budget, which is used for building restoration. Items include fences, sewer lines, lights, walkways and other such items.

In response to a question from Joel Rubin, of 3212 S. Stafford Street, about rising condominium fees, Clarke noted that although it had been hoped that fee increases could be held to 5% a year, it has been very difficult to predict certain large expenses such the costs of water/erosion repairs. President Grant also noted the rising costs of roof replacements. Originally, \$70,000 had been budgeted for replacing four roofs next year, but now it appears costs will be about \$87,000. Grant also noted that the underground wiring for the carriage lamps, which were installed in 1972, is corroding, and eventually the lamps will have to be replaced.

Clarke proposed adoption of the FY2006 budget, which includes an 8 % increase in condominium fees.

Inspectors of Election: Co-Owner Kathy Brion, of 3279 S. Stafford Street, volunteered to assist Steve Navar in counting the proxies.

Questions from the Floor:

Joel Rubin asked about using materials other than slate to replace roofs. President Grant noted that alternatives, including a resin product, were considered some years ago. Although the resin product seemed to have advantages, many expressed opposition to using it. In light of objections, real slate was used. Grant noted that perhaps, once the resin product has been on the market for a longer period, the question of whether to use real slate or an alternative material will be revisited.

Steven Foreman, 3143 S. Stafford Street, asked whether problems with his slate patio could be caused by water/erosion issues and thus covered by the association repairs. Treasurer Clarke suggested Foreman contact Steve Navar about the issue to discuss further.

Steve Foreman asked whether there is anything that can be done to avoid an 8% hike in condominium fees. President Grant noted that Board members, who also are co-owners, are not happy with such an increase but there is really nothing discretionary in the budget. He noted other associations are facing even higher increases; one has raised its dues by 17%. Grant said that the association is still within the required reserve amount, but is "at the edge," and that a new reserve study should be done in the future. Treasurer Clarke pointed out that the Board has resisted the idea of using a special assessment to cover a large cost such as that associated with the water/erosion issue.

Steve Foreman asked whether it is possible to increase the size of the Fairlington Green community or to merge with another condominium association in order to cut costs. President Grant noted the Fairlington Green association cannot take other buildings. He said he has spoken to other associations about joining to share the costs of certain services, but it's unclear whether anything will come of those discussions. He noted that it might make sense to have the individual associations come under one large umbrella association, but this would be a complicated project to coordinate.

Steve Forman asked how contractors are chosen. President Grant said the Board gets multiple bids and chooses the lowest acceptable bid. Vice President McDermott noted that the association relies on the expertise of its property management company to make suggestions for contractors. Sometimes recommendations come from other sources, such as Board members. Secretary Coleman noted some have suggested going through all the contractors the association uses to see if there could be cost savings.

Steve Foreman noted he is seeking contractors for work on his unit and asked if there was a source for getting referrals. President Grant said it would be useful to have a forum on contractors. The association's web site used to have contractor feedback/referrals, but when infighting arose that information was removed. Grant noted that sometimes contractors who receive negative comments sue blogs and web sites for disseminating those comments.

Ana Ilieva, 3143 S. Stafford Street, asked how serious was the possibility that Arlington County could take over trash and recycling. Treasurer Clarke said the County has two contractors looking into this and it does seem a serious possibility the change may occur, although many people are against it.

Steve Forman asked about the process of getting Board approval for repairs or renovations. President Grant said window replacement does not need approval as long as owners match existing windows. Structural changes do need Board approval. Moving a wall may need approval depending on whether that wall is load bearing.

Christian Wood, 3281 S. Stafford Street, asked about towing of vehicles. Vice President McDermott said that when someone sees a car illegally parked, he should contact a Board member. Only Board members can ticket and are authorized to have a car towed.

Kathy Brion asked about parking spaces. Vice President McDermott said that every unit owner receives one parking pass. However, the number of parking spots community-wide is less than one space per unit. There are a few guest spaces, but they may need to be converted to parking for co-owners. President Grant noted that parking is a touchy subject and it may be desirable to form a parking committee in the next year or so.

Appreciation to the President: Vice President McDermott thanked outgoing President Grant for his nine years of service to the Board.

Approval of FY2006 Budget: After a count of all proxies, plus the hand vote of those members present, the FY2006 budget was approved as follows: 54 in favor, 1 against, 1 abstention.

Election of New Board Member: President Grant reported that Stacey Knobler of 3161 S. Stafford Street, is the only candidate for the sole open Board seat. Knobler was not able to make this meeting, but a copy of her personal statement was distributed. Knobler was elected to the Board by the unanimous vote of the 13 members present at the meeting.

New Business: No new business was discussed.

Motion for Adjournment: Upon motion duly made by Vice President McDermott, seconded by Treasurer Clarke, those present unanimously voted to adjourn the meeting.

Adjournment: President Grant adjourned the meeting at 8:39 pm.

Respectfully submitted,

Andrew Coleman
Secretary