

**Minutes of  
Fairlington Green Condominium Council of Co-Owners  
Annual Election/Budget Meeting  
Abingdon Elementary School, Arlington, Virginia  
September 28, 2006**

**Board Members Present:**

President Patricia McDermott 3277 S. Stafford Street, Arlington  
Vice President Jeanne Clarke, 3269 S. Stafford Street, Arlington  
Treasurer Andrew Coleman, 3238 S. Stafford Street, Arlington  
Secretary Stacey Knobler, 3161 S. Stafford Street, Arlington

**Management Representatives Present:**

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

**Call to Order:** President McDermott called the meeting to order at 7:36 pm. Secretary Knobler announced that, including the proxies in hand, more than 43% of the ownership interest was represented, thereby establishing a quorum.

**Roll Call.** The Board members, management representatives, and Landscaping Committee Chair, Peter McCarthy, were introduced.

**Proof of Notice:** President McDermott reported that the notice of this September 28, 2006 meeting had been mailed in accordance with the By-laws.

**Standing Rules.** The Parliamentarian reviewed the standing rules. Co-owner Mary Arpante, S. 32nd Road, objected to the rules' two-minute limit on comments as being too short to allow adequate discussion. After brief discussion among those present, President McDermott requested a vote on the standing rules. The rules were approved by majority hand vote of those present.

**Approval of Minutes:** Reading of the minutes of the October 26, 2005 Annual Meeting of the Fairlington Green Council of Co-Owners was waived. Upon motion by President McDermott, duly seconded, the minutes were unanimously approved without amendment by hand vote of those present.

**Reports of the Officers:**

**President 's Report:** President McDermott reported the following:

The roofs of three units were replaced in the past year. Replacing the slate roofing on a fourth unit is expected to be completed this fall.

The pool's hot water heater and the cover on the baby pool were replaced.

A water main break in January affected South Stafford Street homeowners. The association had to pay a \$10,000 deductible in addition to that part of the costs not covered by the insurance, and is seeking reimbursement from Arlington County. Individual homeowners also sought reimbursement from Arlington County but their request was denied.

Erosion problems continue, as do efforts to find contractors to do the erosion work. The association contracted with an engineering firm, Thomas Downey, to perform a survey, create drawings, and handle bids to perform the erosion repair work needed. A contract has been entered with Shenandoah Landscaping to begin erosion work this fall. The Board is also working with Downey to make plans for work in other areas of the community.

There will be no painting in FY07. Painting is expected to resume next year, in the fall of 2007.

A future expense will be exterior lighting repair and replacement.

The Board published a newsletter this year. Volunteers to work on the newsletter are needed.

This year there were only four Board members, and a fifth member is needed.

The current community property manager is still coming up to speed on the community's needs and issues.

The Landscaping Committee chair, Peter McCarthy, was introduced and thanked. McCarthy then gave a report on the work of the committee as set forth below.

**Vice President's Report:** Vice President Clarke summarized some of the duties of Board members, all of whom are volunteers who receive no pay or other monetary benefit. Board members meet monthly except for August and December. Their duties include reviewing all financial reports, audits, contracts, and invoices paid; addressing community emergencies such as the water main break; responding to requests for structural changes; issuing parking tickets; discussing legal issues with the community's attorney; developing the budget; and preparing Board minutes and newsletters. They are in frequent communication with each other and with other members of the community.

Clarke also reviewed the items that condominium fees pay for. Among the costs covered 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 Coleman reviewed major points in the proposed FY2007 budget, describing the sources of income and some of the major expenses. He reported that there are cost overruns from FY2006, including costs from the water main break and costs of increased water bills. To cover those cost overruns and anticipated FY2007 expenses, a 6% increase in condominium fees is proposed.

Additionally, Coleman reported, the community's auditor discovered a significant depletion of the Members' Equity portion of the community's accounts. The Members' Equity Fund is designed to address annual overages and unanticipated operating costs. Unlike the Reserve Fund, it does not cover capital expenditures. In order to reestablish the Members' Equity Fund's fiscal security, the Board is proposing a one-time special assessment of \$135,000.

#### **Report of Landscaping Committee:**

Peter McCarthy, chair of the Landscaping Committee, described the committee's mission as maintaining and improving the community's beauty and keeping its historical certification standards. The committee is a volunteer group, and more volunteers are needed. There are three community islands for work designation. Brenda Burns is head of the Oak area, Joan Kindred heads the Cherry area, and Sandy Paige is head of the Apple area.

McCarthy reported that some landscaping work has been postponed due to erosion problems, and that such postponement can create additional costs. Another issue has been getting Arlington County to remove and replant trees along the roadways in a timely fashion. McCarthy noted that Bill Sullivan of Sullivan Landscaping does pro bono work for the community.

#### **Questions from the Floor:**

Co-owner Mary Arpante asked whether Jerry and Joan Kindred are receiving pay for their service on landscaping/groundwork for the community. President McDermott said that they are. A discussion ensued between Arpante, the officers and the community manager as to the amount the Kindreds are receiving. Last year that amount was approximately \$350. Arpante objected to the payments, maintaining that there had been no bids made for the services, and asked if the payments were a hidden expense. Secretary Knobler noted the payments are in the budget as a line item for groundskeeper.

Linda Benning, S. Stafford Street, encouraged the Board to provide tips for conserving water in its next newsletter. President McDermott said that was a good idea and would be done.

Benning asked whether there is a lawsuit against Arlington County to cover the costs of damage from the water main break. McDermott said the Board is asking the County to cover some costs.

Benning asked why there is such a large increase in the budget for building maintenance. A discussion with the Board members ensued. Board members noted that about \$23,000 of the water main break costs is included in that amount, and there were many costs overruns this year. President McDermott noted that in FY2005 maintenance costs were \$50,000, but for FY2006 the budgeted amount was dropped to \$25,000 because the Board moved some of the maintenance budget items to another line item.

Scott Falk, S. 32nd Road, asked about money in the Reserve Fund. Secretary Knobler responded with a description of the difference between the Reserve Fund and the Members' Equity Fund.

Mary Arpante asked whether Legum & Norman had provided sufficient information about the depletion of the Members' Equity Fund. McDermott said that there had been an inappropriate depletion of the fund and that it is essential to get the amount back up.

Brian Simonson, S. Stafford Street, commented on the special assessment and proposed that the assessment be imposed over a period of four years instead of being due in full this year. Secretary Knobler noted that this is a one-time fee needed to bring the depleted Members' Equity Fund up to par as soon as possible in order to adequately position the financial health and stability of the association. She said that the special assessment could be paid quarterly over the course of the next year.

Jennie Bentz, S. Stafford Street, commented that she has been pleased that there has not been a special assessment previously, during the four years she has lived in Fairlington Green. She noted other condominium associations have had much higher special assessments, and commended the Board for its work.

Pam Byron, S. 32nd Road, asked whether contracts are awarded after competitive bidding and how long the contract terms are. Knobler noted that the association's contracts are normally for a period of several years unless there is an emergency, because it is difficult to get bids on small jobs unless the contract is multi-year. When contracts expire, the Board bid out the contracts through a competitive process.

Byron asked what the relationship is between the Board and the community's property management company, Legum & Norman. McDermott said that generally the property management company manages the bidding process unless there is a unique need such as with the erosion issue. In that case, the Board hired Downey, which has unique expertise in this area, to review bids, and then make recommendations to the Board. Although the

Board is responsible for managing the budget, it does rely upon the property management company to provide advice and to track expenditures, McDermott added. She noted that Legum & Norman did not raise the issue of the Members' Equity Fund depletion, but that it was the auditors who brought it to the Board's attention.

Byron also asked how the Board would avoid having to make another special assessment for the Members' Equity Fund in a couple years. McDermott said that in the future, the Board would account for the Members' Reserve Fund as a line item. Some portion of the condominium fees will go into that fund. While there is no guarantee that this one assessment will be sufficient, the Board does feel this should keep them "more in line." McDermott noted that if there had not been a special assessment this year, the annual condominium fees would have increased by 30%.

Annie Hawkins Turner, S. 32nd Street, asked why the co-owners have not received their coupon payment books for the October 1 payment, noting Legum & Norman had told her that there was no money for the coupon books. The community manager, Steve Navar, said the coupon books should be received soon.

Julie Gerlie, S. 32nd Road, asked whether legal action would be taken against Legum & Norman for breaching a fiduciary duty regarding the depletion of the Members' Equity Fund. McDermott said she has consulted the community's attorney about that matter.

Gerlie asked whether Legum & Norman is on a 3-year contract. McDermott said that the Board will recommend that in 2008, when the Legum & Norman contract expires, a new management contract be considered. She is seeking members for the committee to explore options for a new management company.

Gerlie asked whether Legum & Norman's fees are consistent with other property management companies. McDermott said there was no increase in the fees to Legum & Norman this year, although the company did request an increase.

Howard Shaw, S. 32nd Street, said he had the same question about Legum & Norman, noting he was displeased with the company's service and felt it was time for a change.

Bonita Billman, S. 32nd Street, commented that the community needs to conserve water, and residents are consistently over watering.

Nancy O'Neal, S. 32nd Road, asked about several expenses in the budget, including \$2,000 for the tennis courts. McDermott noted that cost was for resurfacing and maintenance. O'Neal inquired about the \$10,000 for legal expenses, and McDermott responded that those expenses include receiving advice on a variety of issues, including numerous communications about the water main break. O'Neal also asked about the groundskeeping fees. McDermott said that a few years ago the fees paid to the groundskeepers had been cut in half, but that the groundskeepers had continued to do much of the same work. Therefore, the Board felt the groundskeepers deserve an

increase. Also, the amount the groundskeepers are to be paid was increased this year because of the work they do with trash pickup.

O'Neal also asked about late fees. Knobler said that she did not see how late fees could be charged when there were no coupon payment books available. McDermott said the fees could be waived.

Hunter Moorhead, S. 32nd Road, asked what would happen if the budget were not approved. Co-owner Richard Herbst, S. Stafford Street, noted that Fairlington Green has some of the lowest condominium fees around and feels the amounts sought here are quite minor, and that they are an investment in the community's sound financial position. McDermott noted that according to the community's attorneys, the Board could impose the budget, even if not approved, if it deemed it necessary to do so. This FY2006 Board would be the body to make that decision.

Kristin Falk, S. 32nd Road, asked whether the master insurance policy is available for review. McDermott said she would find out how the policy could be made available for review.

June Pickard, S. Stafford Street, commented that not all of the flooding damage has been repaired and that she has had a hard time getting all the repairs done.

Mary Arpante suggested that there be a budget committee established to review contracts, including the one with the Kindreds.

**Nomination of Candidates.** The following co-owners were duly nominated and seconded for election to the Board: Milam Mabry, Shawn Whitman, Corry Schiermeyer, and Andrew Coleman. Paper ballots were distributed to the members present.

**Inspectors of Election:** Co-Owners Mary Arpante, James Barr, and Bonita Billman volunteered to act as inspectors of election to collect the ballots and oversee counting of the votes on candidates for the Board and on approval of the proposed budget.

**Approval of FY2007 Budget:** President McDermott announced that after a count of the written ballots, the FY2007 budget was approved.

**Election of New Board Members:** President McDermott announced that all of the four candidates for membership on the Board had been elected by written vote.

**New Business:** No new business was discussed.

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

**Adjournment:** President McDermott adjourned the meeting at 9:40 pm.

Respectfully submitted,

Stacey Knobler  
Secretary