

**Minutes of
Fairlington Green Condominium Council of Co-Owners
Annual Meeting**

Abingdon Elementary School, Arlington, Virginia
September 26, 2007

Board Members Present:

President: Stacey Knobler, 3161 S. Stafford Street, Arlington
Vice President: Corry Schiermeyer, 4214 32nd Street South, Arlington
Secretary: Shawn Whitman, 4206 32nd Street South, Arlington
Member At Large: Milam Mabry, 4105 32nd Street South, Arlington

(Treasurer Andrew Coleman, 3238 S. Stafford Street, Arlington, was not in attendance.)

Management Representatives Present:

Steve Navar, Property Manager, Legum & Norman, Inc.
Sarahy Dieguez, Legum & Norman, Inc.
Ice FoFana, Legum & Norman, Inc.
Joseph Hairston, Parliamentarian
Cheryl Kenny, Recording Secretary

Call to Order: President Knobler called the meeting to order at 7:34 pm. She announced that a quorum had been reached. (Property Manager Steve Navar subsequently advised the Recording Secretary that 35% of the ownership interest was represented at the meeting, thereby establishing a quorum.)

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

Proof of Notice: President Knobler reported that the notice of this September 26, 2007 meeting had been mailed in late August, in accordance with the By-laws.

Review and Approval of Standing Rules: The Parliamentarian reviewed the standing rules. President Knobler requested a motion to approve the standing rules; such motion was made and duly seconded. The motion to approve the rules was approved by vote of those present.

Approval of Minutes: Pursuant to a motion duly seconded, reading of the minutes of the September 28, 2006 Annual Meeting of the Fairlington Green Condominium Council of Co-Owners was waived and the minutes approved without amendment by vote of those present.

Reports of the Officers:

President's Report: President Knobler reported the following:

This year the Green has had work done on retaining walls, new drainage pipes, landscaping, and re-grading.

A study of the adequacy of the Reserve Fund began in January 2007 and was completed in March 2007.

Board members have had briefings with legal counsel and insurance representatives to educate themselves on a variety of issues related to the insurance policy and other matters. Information about these reviews has been published in the association's newsletter.

The Board has renegotiated several contracts in light of new or changing needs of the community.

The Board has negotiated a new pool maintenance and operation contract for a cost that is less than the prior year's contract.

The Board moved around some of the Reserve Funds to increase yields. Generally, the funds are in CDs with Morgan Stanley. Knobler noted that Treasurer Coleman was especially helpful in this work.

The Board reviewed an update and report on the community's anticipated roofing needs and the increasing costs of roofing supplies. Much of this information has been published in the association newsletter.

The most important task this year was to develop an RFP and interview candidates to become the association's new property management company. President Knobler thanked the members of the committee which assisted with this task, including its chairs, Pat McDermott.

Vice President's Report: Vice President Schiermeyer 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 expenses, water and sewage, multi-unit stairwell maintenance, roof and gutter replacement, tennis court maintenance, other physical property maintenance and repairs, attorney and accounting fees, and property management fees.

Secretary's Report: Secretary Shawn Whitman summarized some of the duties of Board members. Their duties include reviewing all financial reports, audits, contracts, and invoices paid; addressing community emergencies; responding to requests for structural changes; issuing parking tickets; discussing legal issues with the community's

attorney; developing the budget and maintaining the reserve funds; conducting homeowner forums; and preparing Board minutes and newsletters.

Treasurer's Report and Presentation of the FY2008 Budget: In the absence of the treasurer, President Knobler reviewed major points in the proposed FY2008 budget, describing some of the sources of income and the major expenses. Expenses which have risen include insurance, electricity, water and sewer, and telephone; expenses which have decreased include printing and stationary, erosion and drainage repair, and the pool contract. In response to general economic conditions, a line item of \$2,500 for potential bad debt was added. Overall, there has been a 12.41% decrease in operating expenses. It is anticipated that interest income will increase.

Knobler reported that the special assessment made last year has helped to place the Members' Equity Fund into a much better position. However, the Reserve Fund, which is needed to cover anticipated normal wear and tear over the next 30 years, is still well below what the recent study suggested it should be. Thus, a 74% increase in contributions to the Reserve Fund is proposed. The Board recommends that rather than make another special assessment to address the continuing Reserve Fund deficiency, there be an 8.8% increase in condominium fees for FY2008.

Report of Landscaping Committee:

Peter McCarthy, chair of the Landscaping Committee, described the committee's mission as maintaining and improving the community's natural beauty and keeping its historical certification standards. 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 noted that Bill O'Sullivan of Sullivan Landscaping does pro bono work for the community. McCarthy extended a thank you to all committee members.

McCarthy reported that some landscaping work had to be deferred because of the extremes of weather, including flooding from spring storms and then the severe drought. Among projects the committee has completed this year is the planting of seven elm trees. McCarthy noted that volunteers have been doing the extensive watering needed to keep the elms healthy. Among the committee's areas of concern are pet etiquette, activities by non-landscaping contractors who negatively impact the landscaping, safety issues from dying junipers, and azalea infestations.

McCarthy reported that the winners of the summer beautification contest were Caroline Long, Mary Olsen, and Kathy Brion. (President Knobler pointed out that prizes given for the beautification contest were donated by Landscaping Committee members, not the council.)

Questions from the Floor:

Kelli Bishop, S. Stafford, said she has emailed Legum & Norman about repairs and not heard back. Knobler said she will check on this. Bishop also noted trees near her home need trimming, as do trees on a parking lot.

Peggy Faragass, S. Utah, asked what the Members Equity Fund covers. Knobler explained that it is like a “rainy day fund” to cover unanticipated expenses such as a water main break. In the past that fund was not being replenished and to meet such needs monies were incorrectly being taken from the Reserve Fund, bringing that balance of that fund down. This concern was brought to the Board’s attention during last year’s audit.

Kathy McNerney, S. Stafford, asked about the association’s responsibility with respect to the outside of the buildings. Mabry noted this information is spelled out in the By-laws, and that there would have to be an inspection before it could be decided whether a specific repair is the responsibility of the homeowner or the association. Knobler also noted that the purchase contract and By-laws spell out who is responsible for various repairs, and urged review of the master deed. Schiermeyer noted that it may help to talk to the Landscaping Committee regarding responsibility for foliage being inside or outside a fence, and to check to see where the tree is actually planted.

Alex Levine, S. Stafford, asked about the interest rate on the CDs. Knobler said the new CDs earn about 5.5%. Levine also asked about the possibility of using a special assessment instead of raising condominium fees. Knobler said that a special assessment generally does not look good to prospective buyers since it is a red flag that there may be insufficient fiscal planning, it makes it harder for homeowners to budget properly if hit with a big special assessment, and all residents should contribute their fair share to the Reserve Fund, which deals with the long-term life of the property.

Julie Koller, 32nd Road, said she noticed the property management fees for FY2008 are the same as for FY2007. Knobler said that in order to meet the deadline for getting the budget out, the Board kept the FY2007 figure. Therefore, the new budget does not reflect the \$7,000 reduction of such fees for the coming year, but it also does not include the potential costs associated with transition to a new management company.

Pam Byron, 32nd Road, suggested having a doggie dip at the end of the pool season.

Kathy (**last name unknown**) asked whether it is too expensive to maintain a pool. Knobler responded that people expect a pool as an amenity and many people do use it. The pool is already operating with conservative hours to save money. Kathy suggested doing a survey to determine pool use and Knobler said it may be possible to get the pool management company to do one.

Bonita Billman, 32nd Street, said that at the end of the season the pool company pumped the pool water into storm drains and she understands that may not be legal. Knobler said she would inquire about this during her close-out walk-around with the pool management company.

Peggy Faragass asked how the association's condominium fees compare to other associations. Knobler said they are the second highest in Fairlington by a relatively small amount. She pointed out that the association is also the smallest in Fairlington, and larger associations can distribute their costs more to realize greater cost savings. Knobler will try to put information about the Fairlington condominium fees in the next newsletter.

Sarah Reimers, 32nd Street, is concerned about incremental increases in the condominium fees and asked whether they will keep going up each year. Knobler said not necessarily so, since the Board looks at the entire budget every year.

Julie Koller asked whether the worsening real estate market would create a need to raise condominium fees. Knobler said it should not, and that the primary concern is the increase in costs of services.

Bill O'Donnell, 32nd Road, asked about the job description for the Kindreds, the amount of their pay, and whether there will be an opportunity for others to provide those services. Knobler said the Kindreds are paid about \$432 a month and she can provide a copy of their contract if requested. The Kindreds inspect the property four times a week, checking the landscaping, picking up trash, looking for safety issues, and acting as liaisons with other contractors. They update the property manager about 3 times per week regarding what needs to be done.

O'Donnell noted that this issue has been raised often and asked how someone else can bid for this contract. Knobler said the Board plans to look for bids this year, as part of the normal, 3-year rotation cycle, and this will give others the chance to bid for the work. Knobler noted the Kindreds do more than simply walk the property and feels they devote at least 20 hours per week. Peter McCarthy said Joan Kindred is also on the Landscaping Committee and "is truly the eyes and ears of the community". He added that the couple provides a great value to the community; Mabry and Whitman said they agreed with McCarthy.

William Smith, S. Stafford, noted the pool and playground could use some sprucing up, and asked about the slab of concrete that seems unused. Knobler responded that the concrete is the remnant of a basketball court and that it would cost about \$15,000 to remove the slab. Knobler noted the basketball court was eliminated when issues arose about noise and the fact that non-community users were not respectful of the property or the owners. Smith suggested putting up hours of use so the court could be used. Knobler responded that there is no fence to secure the court.

With respect to the tot lot, Knobler said it is anticipated that it will be overhauled in FY2009 or FY2010. This is a cost to be met from the Reserve Fund, and because that fund is low, the tot lot has taken a back seat to more pressing needs that impact safety.

Pam Byron suggested doing a community day clean up of the tot lot and wondered whether there is a mechanism to put this in motion. Knobler said it would be taken up during new business.

Inspectors of Election: Co-Owners Pat McDermott, Kathy Brion, and Kathy McNerney volunteered to act as inspectors of election to collect the ballots and oversee counting of the votes on approval of the proposed budget.

Approval of FY2008 Budget: President Knobler announced that after a count of the written ballots, the FY2008 budget was approved by a majority vote of those present: 51 in favor and 11 against.

New Business: President Knobler raised the following new business items:

Knobler urged members to become active in a new Community Affairs Committee to get more community activities going. Schiermeyer volunteered to be the Board's liaison for that committee, and said once there were enough volunteers to get critical mass, there would be a meeting to see if they can start some new traditions.

Knobler noted there is an interest in starting a community Listserv to better facilitate electronic communication with homeowners interested in receiving information in this manner.

Knobler announced that all owners should have received a welcome letter from the new property management company, Cardinal Management, along with a temporary coupon book. The letter gives the name of the new manager, Terry McGuire. It also names the new accounting representative, which will allow owners to have direct contact with the accounting personnel. There will be a meeting set up between the property management team and the owners, likely in November. Knobler said Cardinal will at least acknowledge non-emergency inquiries within 24 hours by phone or email. She noted that since most actions must be approved by the Board, time to address concerns is needed.

Knobler said that since Cardinal is not located nearby, Board meetings would not be held at the property management office (as they were with Legum & Norman) but in a more convenient spot such as the elementary school or the Shirlington library. Owners were encouraged to attend Board meetings.

Knobler asked that owners respect the parking rules, and said the biggest challenge is enforcement. She said that some owners wrongly have assumed that they had reserved parking spots. That is not correct; no one has assigned or reserved spots, even if his apartment number is on a spot. She suggested visitors be encouraged to park on the street. Whitman will take calls or emails regarding violators, and he can issue tickets.

Kathy McNerney raised an issue concerning people who seemed to have multiple pool passes and whose parking tags did not seem to match the passes. Knobler said the

numbers are randomly assigned and there may be no correlation between passes and parking tags.

Sarah Reimer asked about new payment coupons. Knobler said anyone who did not get new coupons should contact her. No late fees will be assessed for October because of the transition. Legum & Norman will forward any October payments to Cardinal.

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

Adjournment: President Knobler adjourned the meeting at 9:20 pm.

Respectfully submitted,

Shawn Whitman
Secretary