

**FAIRLINGTON GREEN CONDOMINIUMS
SPECIAL ASSESSMENT MEETING MINUTES
June 28, 2010
APPROVED**

Fairlington Green Board of Directors meeting was held at: Fairlington Community Center, 3308 S. Stafford Street, Arlington, VA 22206

Members Present: Stacy Knobler
Andrew Coleman (absent)
Dana Zook
Hunter Moorehead
Corry Schiermeyer (absent)

Others Present: Terry McGuire, Community Manager, VP, Cardinal Management
Mary Shea, Resident, Newsletter Representative
Ron Wishart, Resident, Newsletter Representative
Corinne Kaminski, Independent Recorder

Homeowners: 24

Call to Order: 7:35pm

Stacey Knobler called the meeting to order noting the presence of a quorum.

President's Report

As many of you know, the subject of a special assessment was thoroughly discussed at the last Annual Meeting. Any special assessment would allow the association to increase replacement reserve funds and meet long-term obligations. The special assessment is not a result of neglecting annual operating commitments. Replacement reserves act as a savings account to pay for roof, street, sidewalk and amenity replacement and major infrastructure repairs when they come due. These are the essential investments we make to properly preserve the homes and facilities of the Green and to maintain the value of the property.

It is important to have these funds in place when major components of our community need repair or replacement. Proper planning now is expected to prevent the predictable situation of needing to repeatedly reach into our pockets when something is scheduled to be replaced, but funds are insufficient.

Our last Replacement Reserve Study, completed for the 2008 budget year, called for a funding level of \$325,800 for 2008, 334,900 for 2009 and 344,300 for 2010. The total requirement through 2010 is \$1,005,000. During that time the council has accrued \$608,000 to reserves. The difference of \$397,000 helps form the basis for a special assessment recommended by the Board of Directors. Additionally, the Board wants to capture the over-budget amount for snow clearing and landscape damage, and \$14,000 for reserves that would be required for the 2011 contribution of \$230,000 for a total one-time assessment of \$450,000 (before rounding). A schedule of how this amount affects owners according to their ownership interest is attached (based on the model and square footage of your property).

The Board believes that it is advisable to address this shortfall by a one-time assessment rather than disproportionately raise our monthly condo fees. Currently, our fees are among the highest in all of the Fairlington communities. Creating greater disparity in this regard is not considered wise as it relates to overall property values. More importantly, the deficits that currently exist do not reflect real cost increases to the annual operating budget of the association (one of the primary reasons for raising monthly fees), but rather special action which must be taken to redress poor financial advice provided by previous management. While we will still need to raise our fees to continue this level of funding for reserves, it will be more in line with the expected and usual increases necessary to address the continued maintenance of the community. In addition, the Commonwealth of Virginia now requires that the association update the reserve study once every five years, so it is important to be responsive to the recognition of shortfalls now, not later.

Community Forum

Homeowners at 3151 S. Stafford St - expressed their concerns on the auditors making sure they are taking in consideration the reserves. And how does the community plan to prevent this from happening in the future.

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Homeowners at 3155 S. Stafford St. – concerned on the goal of having a special assessment.

The Board gave a breakdown of the reserve study and a timeline for projects needed in the future of the community.

The Board informed the community that the financials are posted on the community website.

Homeowners at 3232 S. Stafford was curious about the PR harm and the risk in the details in condo documents.

The Board discussed the difference between the operating and reserves account. Once the fiscal year is over the special assessment will not be in the condo documents.

Homeowner at 4107 S 33rd Street wanted to know how the special assessment schedule would be.

The Board informed the community that you can prepay the special assessment. The date of which the special assessment will start has not been decided.

Homeowner at 3149 S. Stafford St. – suggested to the board perhaps lower the special assessment amount and was curious to know why the larger units pay more than the smaller units.

The Board replied that in the 70's there was a differential and can not be changed.

Homeowner at 3229 S. Utah St. – was curious to know if the reserves earn interest.

Management stated that the reserves does earn interest and inflation rate as well.

Homeowner at 3271 S. Stafford wanted to know if the insurance companies cover the special assessment.

Management and the board stated no the insurance company does not provide coverage of a special assessment.

Homeowner at 4230 S. 32nd Street – was curious to know if this could have been just an increase in monthly dues.

The board replied that if this was done as additional monthly assessment, it would be more of an obscene monthly amount.

Homeowner at 3269 S. Stafford St. suggested perhaps this should have come sooner. There are several homeowners living in the Fairlington Green community on a fixed income.

Homeowners at 4109 33rd St. South were curious to know how much of a percentage would the monthly assessment gone up if done as a monthly assessment and if the community could join another association.

The Board stated the monthly assessment would have been a 27% to a 30% increase. And the board stated joining another community is not in the bargaining power.

Homeowner at 3201 S. Stafford St asked if the community has a full board.

The Board responded stating yes we have a full board. One board member did move but conferences in during the board meetings.

Adjourn: 9:03pm.
Respectfully submitted,
Corinne Kaminski
June 30, 2010