

**Cambridge Courts Condominium Board of Directors Meeting  
10/28/09**

**I. Call to Order**

Meeting was called to order at 6:35pm

**II. Quorum Count**

Board Members present: Frances McCoy, President (2501, #101); Jon Fisher (2811 #101B), Secretary; Tracy Van Duston, Vice President (2501, #201); Chuck Phillips, Member-at-large (2613, #201); Ingrid Herbert (2703 #101), and Wayne McCreedy, Property Manager.

**III. Owners Forum**

Mary Ackoury, 2813, # 201: (1) Someone should be patrolling for lights that are burned out so residents don't have to report them. **RESPONSE:** We could do this, but there's a cost associated with it. The board feels that given the strong demand from residents to keep costs low, it makes sense to ask residents to report the issues they see to Armstrong. It's quick and easy to make a quick call, and saves us considerable money.

(2) Why aren't there better patrols for trash and branches on the property? **RESPONSE:** While our janitorial service and our landscapers do some of this, since we no longer are paying a full-time porter (~\$35,000/year) there is less ability to do these kinds of things. We either have to pay someone to do it (and thus causing an increase in the condo fees) or the board can do it ourselves. While several board members have spent quite a bit of their own time doing these kinds of things, our time is limited as well. The number one concern expressed to most of the board members by residents has been concern about keeping costs low, which is why we have taken this course.

(3) She wants to redo her kitchen, and wishes to take out a portion of a (non load-bearing) wall between her kitchen and dining room, and wanted to verify that there was no objection by the board. She presented a plan for the work proposed. **RESPONSE: Motion was made (Tracy) and seconded (Chuck) to approve her request, with the understanding that if any damage to common areas does take place that she would be responsible for paying for the repairs. PASSED unanimously.**

Matt Becht, 2603, #101: (1) What does the yellow color on the tree inventory map mean?

**RESPONSE:** It means that the tree is in overall fair condition, and should be monitored.

(2) Can people make tax-deductible donations to a condominium association? **RESPONSE:** Wayne has never heard of a person being interested in donating to a condo association, or a condo association incorporating to accept these kinds of donations.

Ken Keyak, 2611 #202: (1) Why didn't we receive the budget information with the other annual meeting information? **RESPONSE:** The board is still working on the budget, and did not want to send it out before we had consensus on it. This is due to a number of reasons: we have 4 new board members and a new management company, and a lot of relevant information has been late in arriving. For example, we didn't get our updated reserve study until the last meeting, we are

still awaiting some bids on irrigation, etc. The board was not comfortable sending out a budget without having the right information. We hope to come to consensus on a draft budget proposal tonight, and send it to owners for review before the annual meeting. Also, keep in mind that the budget will not be officially voted on until AFTER the board meeting, to give owners a fair chance to provide input.

(2) He expressed concern about the cost of irrigation. **RESPONSE:** The board noted that the cost of replacing trees, shrubs, and grass that have died due to lack of water has been significant. Due to the economy, we have some bids for irrigation which are much, much lower than they have been in the past. We believe that some form of irrigation will be essential for the success of a long-term landscaping plan and the overall appearance of the property, and it is affordable now.

#### **IV. Minutes from the Previous Meeting**

**Motion was made (Tracy) and seconded (Ingrid) to approve the minutes of the 9/23/09 meeting. PASSED unanimously.**

#### **V. Reports from Officers**

None.

#### **VI. Report from Committees**

None.

#### **VII. Old Business:**

A. Replacement Reserve Study – The reserve study is a mandatory evaluation of the condition and remaining life of the property’s features, and a recommendation as to how much money needs to be set aside to pay for these upcoming costs. We asked them to include an allowance for the replacement of our pipes (which is not typically included in these studies), as we have had considerable problems with our pipes failing recently. **Motion was made (Jon) and seconded (Tracy) to approve the replacement reserve report. PASSED unanimously.**

B. Budget – The board reviewed the 2009 budget. We entered 2009 with a \$53,866.93 deficit in unappropriated member’s equity (meaning we had overspent our budget last year and need to make that up). Due to the increase in condo fees last year, we are projected to be able to pay back all but \$8,793.59 of that money this year. According to Wayne, the general recommendation is that condominiums should aim to have 20% of their annual budget available as unappropriated member’s equity to account for unexpected expenses, so we are behind but at least heading in the right direction. Our target for full funding is \$100,000 to be built up over the course of several years.

The board then shifted to considering the 2010 budget. The board considered increasing our D&O coverage from \$1 million to \$2 million at an annual cost of about \$650, but elected instead to keep our current coverage of \$1 million. Each line item was reviewed individually. Throughout Wayne estimated 4% increases for several items where he still hopes to negotiate a smaller increase (or no increase); if this occurs it will help us build up our unappropriated member’s equity.

In addition to funding unappropriated member's equity, the board considered that we have 2 other upcoming major expenses to be considered in budgeting: an effective irrigation system and comprehensive plumbing restoration. Chuck reported on the irrigation proposal we have from Creative Irrigation; they estimated a \$40,000 cost (a one-time expense) to install an irrigation system throughout the property (we will get additional bids once our budget is approved). We would also have to pay about \$4,500 to Arlington County to get our sewer and water usage metered separately (a one-time expense to install and hook up these meters). We are not sure how much the irrigation system would increase our water bill, but for the 2010 budget we are assuming a \$5,000 increase, to be adjusted as needed in upcoming years to reflect the reality of adequately watering our grounds.

The second major expense – plumbing restoration – will be in a planning process next year, and the funds budgeted for the one-time expense of installing the irrigation system will be shifted in upcoming years to the long-term plumbing project, so that we will not expect to raise fees significantly in the future to fund this 10-year project.

For the upcoming year (2010), if we were to have a 0% increase in the budget, our unappropriated member's equity would go to about \$1,024.41. If we were to have a 5% increase in the budget, this figure would be roughly \$27,783.41. The board expressed general consensus that 5% is a reasonable increase, given the number of large unanticipated expenses that have cropped up each year. The 3 residents in attendance also concurred that this was a reasonable approach to take given the projected costs. Wayne also raised the concern that rounding the increase to the nearest dollar has sometimes been challenged as illegal since it would mean that the increase is not exactly equal (as a percentage) to 1 and 2 bedroom owners. As such, the board agreed to have condo fees that are not rounded to the nearest dollars (unless Wayne hears from our auditor and legal counsel that rounding is acceptable). **Motion was made (Jon) and seconded (Tracy) to have Wayne send out the draft budget as written to all unit owners with a 5% increase in condo fees and an increase in the irrigation line item from \$40,000 to \$50,000 (and reduces unappropriated member's equity by \$10,000 accordingly). PASSED unanimously.**

C. Smoke detector replacement – We have a proposal to have our janitorial service replace all of the batteries (and smoke detectors if necessary) for \$250 plus \$20/detector that needs replacing, but Chuck offered to replace them all himself instead.

D. FiOS – Wayne has contacted the contractor several times for an update but has received no response.

## VIII. New Business

A. Dryer Vent Cleaning and Chimney Inspection – In the past the board has coordinated having this work done for all units. We could also let owners “opt-out” by providing a written statement that they haven't used the chimney, or providing a receipt showing that they have already had it done. However, Wayne suggested that we could instead let everyone pick their own contractor, and let them send their receipts (by fax, email, mail, etc.) where it would then be

uploaded to Connect. **Motion was made (Tracy) and seconded (Chuck) to accept Wayne's proposal for how to proceed with this work. PASSED unanimously.**

B. List of accomplishments – The board is working on a list of accomplishments for the year, Ingrid and Frances will work on finalizing it. There is no update on the fencing work, and Wayne is still trying to get discounts on both the concrete work and the power washing. We will try to update the status of these projects before the annual meeting to be able to provide as much information as possible to the unit owners.

## **IX. Adjournment**

The meeting was adjourned at 8:56pm