

FAIRLINGTON MEADOWS COUNCIL OF CO-OWNERS
MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
SOUTH FAIRLINGTON COMMUNITY CENTER
3308 Stafford Street, Arlington, VA 22206
AUGUST 16, 2017

IN ATTENDANCE

Mary Ellen Finigan	1st Vice President
Lisa Farbstein	2nd Vice President
John Sitton	Secretary
Anne Gillis	Director
Sabiha Noorzai-Barbour	Portfolio Manager, CMC
Ed Girovasi	Chair, Tennis Committee
John Stack	Member, Tennis Committee
Tracy McGovern	Chair, Pool Committee
Peggy Gregory	Member, Pool Committee
Erica Brown	Member, Pool Committee
Anne M. Sheehan	Goldklang Group CPAs

CALL TO ORDER AND QUORUM

Ms. Finigan called the meeting to order at 6:45 p.m. A quorum was established.

EXECUTIVE SESSION

By unanimous consent the Board agreed to delay discussion of delinquencies and Board vacancies until the next meeting. By unanimous consent the meeting was moved out of Executive Session and into regular session at 6:53 p.m.

COMMITTEE REPORTS

Tennis Committee

Ed Girovasi, Tennis Committee Chair, provided background information on our two tennis courts, their construction, and previous repairs. He indicated that the last sealant was applied to the courts in 2012, and the last crack repairs were done in 2016. This summer Soil Tech, Inc. performed a geotechnical study on the courts to determine if the underlying conditions are suitable to support an overlay of the courts.

Three hand auger borings were performed and samples were taken. Mr. Girovasi stated that our courts consisted of 4 inches of asphalt underlain by 9 to 11 inches of crushed stone. In borings 1 and 2 the subbase was dry and the courts drained well. In boring 3 slight water seepage was encountered between the two subbase layers. But Soil Tech noted that boring 3 was performed after a significant rainfall and that the courts drain toward that location.

The report indicated that the current cracking in the courts is not indicative of inadequate subgrade soils, and is likely due to the age of the last asphalt resurfacing (in 1986). Soil Tech believes that the condition of the soil, asphalt, and subbase are suitable to support an overlay.

Mr. Girovasi said that the question today is whether we again use asphalt, or instead use a synthetic product. He noted that the problem with asphalt is that it is petroleum based and can

mirror existing cracks. Other options are synthetic and sit on top of the existing asphalt. One such product is Nova ProBounce, which has been used in the Glen. It installs quickly and is less expensive than asphalt. There is one local contractor that installs this product. Two others are located in Aylett, Virginia and in Philadelphia.

Mr. Girovasi also said that the tennis courts need a new fence, since the existing one is failing, and he suggested a black, instead of green, fence. And he asked the Board to look at our reserves and decide what to do.

Mr. Sitton asked if Mr. Girovasi was recommending that this be done in 2018 or in 2019. Mr. Girovasi replied that it should be done in 2018. Ms. Finigan suggested that funds for the resurfacing should come out of tennis court reserves, and funds for the fence should come from other reserves. Mr. Sitton noted that we still need to develop the budget for next year, and that we may want to get competing bids. He asked Mr. Girovasi if he would be willing to collect bids. Mr. Girovasi said that he would, and that he would write a Request for Proposals.

Ms. Farbstein asked if the courts needed new benches or nets. Mr. Girovasi said we do not need new benches. However, we would need new nets but they are inexpensive.

Ms. Finigan asked if we should be concerned about the third boring. Mr. Girovasi said that Soil Tech recommended using PVC pipe to drain that corner and said that it will work well.

Mr. Sitton asked if the contractors in Aylett and Philadelphia would be willing to travel here to install Nova ProBounce. Mr. Girovasi said he would contact them to ask.

Pool Committee

Tracey McGovern, Pool Committee Chair, thanked the Board and indicated that there were three items that the Pool Committee would like Board decisions on.

The first item was a request to extend the current pool season by one weekend, which would cost the Association \$1500. Ms. Farbstein asked how many people use the pool on Saturdays and Sundays. Ms. McGovern said that she did not have a firm count but that Saturday attendance was good, perhaps 40 people.

Ms. Finigan asked what has made this come up now, after the original schedule was set. Ms. Brown said that in a survey residents consistently asked that the pool be open for another weekend at the end of the season. Ms. Farbstein asked if there was any interest in opening the pool earlier in the season. She suggested that if we opened a week or weekend before other pools that perhaps we would get better service from the pool management company. Mr. Sitton noted that this was a good idea, but that it did not focus on the question at hand.

Ms. Finigan asked if extending the pool season would require postponing closing activities, such as cleaning. Ms. McGovern said that she was not sure.

Ms. Finigan asked when our pool management company needed to know if we want the pool open another weekend. Ms. McGovern said that they needed 2-3 week's notice. She said that she will ask if we can change our decision at the last minute (in the event of rain, for instance). Our current contract does not allow for this but other associations (the Glen) do have this in their pool management contracts.

Ms. McGovern said that the second Pool Committee item was a request to use an additional \$100 from pool party funds for food for the end-of-year luau. Ms. Farbstein noted that the funds

were originally budgeted for pool parties. Ms. Finigan asked how much is budgeted in total. Ms. Brown said it was \$200. Mr. Sitton made a motion to approve use of an additional \$100 of those fees for the luau. The motioned was seconded and approved 4-0.

Ms. McGovern said that the third item was a request to conduct a survey of residents at the end of the pool season. Mr. Sitton made a motion to approve the survey, it was seconded, and approved 4-0.

Ms. McGovern said that the Committee would like to be involved with the bid process and contractor selection for pool management for next year. Ms. Noorzai-Barbour said that she has already obtained two proposals. Ms. Brown said that she would like to see the current pool contract. Ms. Noorzai-Barbour said she would send a copy of the contract to the Board and the Pool Committee.

Ms. Finigan summarized the the discussion on Pool Committee issues. She noted that the Board had approved the request to spend an additional \$100 from pool party fees on the luau, and the request to conduct a survey of residents about the pool season.

Ms. Finigan reminded us that we still needed to vote on the request to keep the pool open another weekend for this season. Ms. Farbstein made a motion to approve extension of the pool season for one more weekend, it was seconded, and approved 3-1 (Finigan). Ms. Finigan noted that we needed to decide on an amount to authorize. Mr. Sitton made a motion to approve spending no more than \$1500, it was seconded, and approved 3-1 (Finigan).

Ms. Finigan asked if swimming lessons were going forward. Ms. McGovern said yes and that they would end on the last weekend of the pool session. Ms. Finigan thanked the Pool Committee members for their presentation to the Board and for their work this year.

AUDIT REPORT

Anne M. Sheehan of Goldklang Group CPAs presented the Independent Auditor's Report to the Board and provided an overview of the Report. Ms. Sheehan stated that Goldklang Group audits only condominium, cooperative, and homeowner associations, and has developed some indicators of financial health. One such measure is accounts receivable. She said that our delinquencies are very low — less than 1% of annual assessments.

Ms. Sheehan said that another indicator of financial health is excess operating funds. An association should have between 10% and 20% of its annual assessments in excess of its annual operation expenses, which are held in reserve and applied if an expense exceeds its line item budget (such as for snow removal). She pointed out that our governing documents require an operating reserve of 25% of total annual assessments.

Ms. Sheehan pointed out that we have a deficit in unappropriated member's equity. She recommended that we transfer from our replacement reserves funds to zero out unappropriated member's equity. Mr. Sitton said we need to do this to be in compliance with our legal requirements.

Our total net assets at the end of 2016 were \$1,840,910. We need to clean up our accounting so our replacement reserves reflect reality. Ms. Finigan said that we also need to be sure that what we take out of replacement reserves is really for replacements.

Ms. Sheehan recommends a reserve study be done every 3-5 years (ours currently is done every 5 years) to re-allocate members' equity for asset replacement. Mr. Sitton said that we

need to know what items are included in reserves. Ms. Sheehan recommended when we do our reserve study that we look carefully to make sure that all items are covered.

Mr. Sitton said that he believes that sewer lateral repairs were charged as a normal operating item, and that replacement reserves should have been used. Ms. Sheehan said that we should include items like the sewer laterals in our next reserve study. Mr. Sitton asked about our current situation, and Ms Noorzai-Barbour said that she would email a report to us.

Mr. Sitton stated that we need to move \$264,025 from replacement reserves (account 3102) to unappropriated members' equity (account 3000) and made a motion that we do so. Motion was seconded and approved 4-0.

Mr. Sitton said that we need to find out about writing off \$1,686 in income tax receivables prior to 2015. Mr. Finigan said that we will look at our July 2017 financials to see where we are and what, if anything, we need to do.

Ms. Sheehan reported that our accounts are in "pretty good shape". The auditors have only proposed three adjustments for 2016 which is very good.

APPROVAL OF MINUTES

Ms. Finigan moved to approve the minutes from the 19 July 2017 Board meeting. The motion was seconded and approved 4-0.

ENVIRONMENTAL ISSUE

Mr. Sitton said that the agreement with ECS has been signed by ECS, and that as soon as it is signed by Mr. Thurber, ECS would recommend locations for drilling. Ms. Finigan noted that it was important to involve our maintenance manager in the decision on drilling locations, as he has maps that can be superimposed to avoid the sewer laterals. Ms. Finigan said that she would ask the Association's attorney for her opinion on including a notice about the possible environmental issue in our re-sale packet.

NEW ISSUES

Ms. Farbstein asked about some units that have had basement flooding issues. Ms. Noorzai-Barbour said that our maintenance staff has taken care of it.

Mr. Sitton said that a survey on our trash procedures was done by resident Bill Herschberger, and that we needed to come up with additional questions for another survey.

Ms. Finigan noted that the issue of swimming lessons was closed for this year. Mr. Sitton said that this is an issue that the Board needs to re-visit and address before next summer.

ADJOURNMENT

By unanimous consent the meeting was adjourned at 8:49 p.m.

Respectfully submitted,
Anne Gillis