

FAIRLINGTON GLEN COUNCIL OF CO-OWNERS
December 12, 2017 Board Minutes
Fairlington Community Center

ATTENDEES: Bill Layer (President), Thora Stanwood (Vice President), Bill Worsley (Secretary), Maynard Dixon (Treasurer), Lee Henry (At-Large) and Candace Lewis (Cardinal Management).

CALL TO ORDER: The board meeting was called to order by the vice president at 6:45 p.m. The president arrived at 6:50 p.m.

12.12.17.01 Motion. Moved to approve the minutes of the November 14, 2017 board meeting. Motion passed unanimously.

ENVIRONMENTAL UPDATE:

Nothing to report.

RESIDENTS' FORUM:

No residents attended the meeting.

COMMITTEE REPORTS:

There were no committee reports.

BOARD MEMBERS' REPORTS:

President –

No report.

Vice President –

The vice president reported that Phil Bresee, Manager, Environmental Management Office, Arlington County, deemed the Glen to be in compliance with the County's recycling program and that no adjustments need to be made to the Glen's trash and recycling program.

There have been complaints about the location of the bus bench on the sidewalk between courts 10 and 11 (36th Street). Robert Sharpe, the county's Ombudsman, is working with the Glen and the Fairlington Citizen's Association to determine if the new bench is used enough to remain in its present location or if it should be removed.

The vice president recommended that board meetings begin at 6:30 p.m. instead of 6:45 p.m. so that all of the Glen's business can be concluded before the community center closes at 9:00 p.m. The board members concurred with the change in start time, recognizing that Cardinal Management will charge the Glen for the property manager being at the meetings beyond the allotted two-hour timeframe. The change

in start time must be announced to the co-owners and residents through all of the communication channels available to us.

The vice president recommended that the board meet annually with an attorney from Rees Broome for an overall update. The management agent will ask Rees Broome if there will be a charge for attendance at one board meeting per year.

Treasurer –

12.12.17.02 Motion. Moved to approve the bid by Kolas Contracting in the amount of \$24,769 for carpentry repairs to courts 1-4 subject to the down payment being made in 2018 and any work to begin in 2018. Motion passed unanimously

12.12.17.03 Motion. Moved to approve the painting specifications for courts 5-8, subject to the additional stipulation that the metal door at 4110 South 36th Street should not be painted. Motion passed unanimously.

12.12.17.04 Motion. Moved to attach to the minutes, as an appendix, a resolution instructing Morgan Stanley Wealth Management to maintain a minimum liquid balance of \$450,000, with the liquid balance defined to include bank accounts, money market funds, and CDs with a maturity no longer than 31 days. Motion passed unanimously.

Secretary –

Some of the front porch lights in the Glen are falling apart, and co-owners have asked where they can get an exact replacement for the original model. The secretary said that although no exact replacement is available, it might be a good idea to identify some good options and post them on the Glen website. He said he would do some research on replacement options.

At-Large –

Residents who have had their front stoops replaced need to be informed that they should not put de-icing salt on their stoops because it will damage the new mortar. The management agent was asked to have the on-site crew deliver notices to the residents at the replaced stoops. The treasurer suggested that such notices be delivered to all Glen units and that, to avoid wearing-out the office printer, the notices be ordered online from a commercial printer.

The FIOS website that allows residents to see when FIOS will be available in the Glen is incorrect. FIOS will probably not be available until mid-December.

MANAGEMENT REPORT:

The management agent said that the board needs to appoint someone to be the board's liaison to the pool committee and said that someone will need to set dates for the 2018 administrative calendar. The treasurer volunteered to be the pool liaison. The vice president said she would pull last year's calendar, send it to the president for update, with advice from the prior president.

The secretary asked whether 100% of the Glen's operating funds are FDIC-insured. The management agent said that these funds soon will be invested in FDIC-insured sweep accounts at Mutual of Omaha Bank.

NEW BUSINESS:

Glen archivist Margaret Windus (court 1) recommended updating the 2012 board resolution, Administrative Resolution No. 12-1, "Requests for Examination and Copying of the Council's Records," regarding the rules governing giving information to co-owners. Thanks to technology, the cost of providing information has dropped substantially. She and Susan Hunchar volunteered to draft an update.

EXECUTIVE SESSION:

12.12.17.05 Motion. Moved to go into executive session at 8:20 p.m. Motion passed unanimously.

The board reconvened in regular session at 8:44 p.m.

12.12.17.06 Motion. Moved to approve a homeowner request to waive \$250 in legal fees for account 2013, contingent upon the homeowner signing up for direct debit. Motion passed unanimously.

12.12.17.07 Motion. Moved to increase on-site employee salaries by 1% for the year 2018 and grant a year-end bonus of two weeks' salary for the year 2017. Motion passed unanimously.

ADJOURNMENT: The meeting was adjourned by the vice president at 8:46 p.m.

The next scheduled meeting of the board is Tuesday, January 9, 2018, at 6:30 p.m. at the Fairlington Community Center.

Respectfully submitted,

Bill Worsley
Secretary

APPENDIX I

Resolution Regarding Maintenance of a Minimum Liquid Balance

Pending future updates, the Board instructs Morgan Stanley Wealth Management to maintain a liquid balance of \$450,000, pending further study [see "3.," below, for definition of "liquid"]. The \$450,000 = (a) a semi-permanent, absolute minimum balance of \$250,000 + (b) an additional \$200,000 designed to cover currently planned reserve expenditures:

(a) The semi-permanent, absolute minimum balance of \$250,000 is intended to allow for reserve expenditures that cannot be planned or anticipated, such as replacement of sewer lines under basement slabs, replacement of broken water lines running in the common areas, or storm-damage roof replacement costs exceeding insurance limits. The \$250,000 is only a rough estimate, but a rough estimate is better than no estimate. The estimate may change after further study of replacement costs and the likelihood of their unplanned occurrence. We may consult with REI about this.

(b) The additional \$200,000 is intended to cover planned reserve expenditures, the funds for which have not already been transferred to the Glen's operating checking account with Mutual of Omaha Bank. This amount will change as planned reserve expenditures and their timing change. (Note: Because even the best reserve studies in communities like ours provide only rough approximations of when the replacement of individual assets will actually have to take place, the timing of reserve expenditures in the Glen may differ significantly from the estimated end-of-life dates of assets in our reserve study.)

2. The treasurer and secretary will work with Cardinal Management to develop an ongoing procedure for reporting planned reserve expenditures and their approximate timing to Morgan Stanley and the board. This will allow Morgan Stanley to ladder the investment of our reserve funds so as to ensure that CDs mature when funds are needed.

3. The liquid balance (currently \$450,000) is defined to include bank accounts, money market funds, and CDs of varied terms that will mature no later than 31 days in the future, so that at least that amount in reserves will be available in cash within 31 days at all times. NOTE: A CD with a term of , say, 4 years paying 3% with one month left before payoff is virtually as liquid as checking account. Thus, Morgan Stanley will not have to keep our required level of liquid funds (currently \$450,000) in a checking account -- it will, over time, be able to ladder our investments so that we will always have a lot of higher-interest paying CDs that are about to expire.