

**Washington House Condominium Association
Council Meeting Minutes
12 December 2012**

Those present at 7:00 p.m.

Presiding: President, Bruce Chase
Vice President, Bob Persak
Secretary, Pamela Bobbs
Enforcement Officer, Joy Scott
Member at Large, Len Sawyer

A. Attendance via Sign-in

B. Opening Remarks

Mr. Chase opened the meeting saying that this meeting is one of the two annual meetings required by the Code of Regulations. The purpose of the meeting is for owners to approve the WHCA Budget for the coming year. Other business will be conducted by Council members after which the vote will be taken. Mr. Chase noted that fifty percent or more of the owners would have to vote against the budget. Anything less than that, the budget will be implemented beginning 1 January 2013.

C. Approval of Regular Council Meeting Minutes of 19 September 2012

Ms. Scott noted that in the September meeting she stated that the policy governing attachments to external walls included patio doors. Upon further review of the policy she realized that it DOES NOT include patio doors. She requested that the minutes of the September meeting be corrected to reflect this.

Motion by Ms. Scott, seconded by Ms. Bobbs that the minutes of the 19 September 2012 meeting be approved as corrected. Motion passed unanimously: Vote 5 to 0.

Aye — Bobbs, Chase, Persak, Sawyer, Scott

Nay — 0

D. President/Treasurer's Report

1. FINANCIALS

- a. Mr. Chase reported that the checking account balance is ~\$9,000. There are bills not yet received that will be paid this month but he expects they will be covered by the amount in the account.
- b. The Reserve/Replacement Fund (R/R) balance is ~\$75,000 which is only 30% of the amount recommended by the R/R study.

2. ACTUAL VERSUS BUDGET

- a. Association expenses are over budget due to onetime items, but these items have been paid out of cash flow.
- b. The 2012 budget was created primarily by Daystar based on numbers they provided with some documentation. Expenses for 2012 were estimated at \$296,400. WHCA has spent \$361,301. Some of the numbers were on target, others were not, resulting in some disparity between budgeted expenses and actual in any given category. However, overall expenditures have been covered by the operating budget without having to dip into the R/R Fund even though some of the expenses (e.g. gutter work [\$4000 for lift rental, plus labor and

materials], HVAC economizer at \$13,000, Sprinkler system repair work at ~\$9000 + labor) could legitimately have been paid out of that account.

- c. Mr. Chase reminded owners to inform Mr. Persak of any drips noted in their sprinkler units as quickly as possible. Sprinkler leaks on the 4th floor are more expensive due to having to clear the lines before repair work can be done. If possible, they will be addressed on a periodic basis and all at the same time. The Fire Marshall will check annually to ensure the sprinkler system is working properly.
 - d. Income for 2012 was estimated at \$296,400. The actual income is \$336,000 including the liens paid on and capital funds received on the two sales.
 - e. Mr. Grinstead asked if Mr. and Mrs. Chase have been reimbursed for the amounts loaned to the WHCA to cover legal fees during the transition period. Mr. Chase thanked Mr. Grinstead for his concern and confirmed that the Chases have been reimbursed in full and that loans will not be made to the WHCA in future.
3. SALES
- a. Mr. Chase reported that there have been no sales since the last meeting. Daystar has completed the build-out of the unsold units on the 4th floor (409, 416, and 418) and has begun the build-out of unsold units on the 3rd floor (303, 309, 315, 317, and 315). Increased sales are expected to follow when all of the units are able to be shown in a finished state. The only unsold unit on the 2nd floor is the sales office (209) that has been completed for some time.
 - b. Residents are asked to inform a Council member if workers do not clean up after the work day so that Daystar can be informed and corrective action taken.
 - c. Ms. Scott asked about the removal of the bath tubs in the storage area. These are being contributed to Habitat for Humanity and will be removed shortly.
4. DISCUSSIONS WITH DAYSTAR SILLS
- There have been no further discussions with David Sills. After considerable thought and many hours of number crunching, the WHCA position is that the least it will accept is payment of all R/R fees on unsold units going back to 2010 and payment of full WHCA monthly fees on unsold units from the fourth quarter of 2012 forward.
5. WHCA WEB PAGE
- The following items are available on the WHCA Web page (www.WHCAowners.org) for reference by all residents and use in the sales and refinancing process as needed:
- a. Emergency Action Plan – 26 November 2012
 - b. Budget – 2012
Budget – 2013 (will be posted after owners approval)
 - c. Audit – 31 December 2011
 - d. Replacement/Reserve Study – 14 December 2012
 - e. Residents Handbook – 20 June 2012
 - f. Council Minutes and Contact Information
 - g. Rules and Regulations
 - h. Declaration
 - i. Insurance Policy
6. LATE FEES
- A 5% late fee was approved at the last Council meeting and has been paid where applicable. The intent of this late fee is to encourage owners to pay the WHCA fees on a timely basis so that the Association will not have cash flow problems. The WHCA fees are the Association's source of income to pay its operating expenses.

7. CHANGES IN TRASH PICKUP

- a. Regular trash pickup is now done on Monday, Wednesday, Friday, and Saturday. If the recycle bins on the residential floors are full, residents are asked to take their recycle to the Compactor Room on the lower level parking area. The door is not locked.
- b. Be careful entering the Trash Room as the floor can be a bit slippery.
- c. Recycle pickup is now done on Tuesday and Saturday. The bins are taken down on Monday and Friday evening. They are returned to residential floors on Wednesday morning. However, Avalon does not work on Saturday, so if you see that the recycle bins have not been returned to the residential Trash Rooms, please feel free to get a bin from the lower level garage area and bring it to the Trash Room on your floor. The bins are not numbered, so any bin can be taken to any floor.

8. WINTER SNOW/ICE ISSUES

- a. Residents are cautioned to be very careful when the snow comes and/or the weather turns icy. The red brick walkways are VERY slick. They may appear red and dry, but they are not.
- b. When it snows, the pylons will be put out on the west side stair case to preclude problems with falling snow from the roof.

9. VOLUNTEER ORGANIZATION

- a. Mr. Chase noted that Mr. Persak is doing 100 hours of volunteer service a quarter. He encouraged all owners to help carry the load to reduce the amount of work Council members are doing. If more help is not forthcoming, the Association will have to hire a Property Management firm to take over maintenance and other work currently done by Council members. This will mean a 15% to 20% increase in dues.
- b. Owners wishing to participate in keeping Association fees down should contact a Council member as soon as possible.
- c. In January owners vote on new council members to replace council members whose terms are expiring. January 2013 marks the end of Mr. Sawyer's one-year term. Anyone willing to serve is asked to inform Mr. Chase not later than 2 January 2013. Mr. Sawyer has agreed to serve another term if no one steps-up. Announcements and ballots will be sent prior to the January WHCA Council meeting.

E. Building Issues and Maintenance Report

1. GAS APPLIANCE REPORTING

Currently 17 households have responded indicating they have gas appliances and 10 of these households have gas detectors. Owners who have not responded to the survey request are asked to send an email to Mr. Persak noting the gas appliances they have and if they have a gas detection unit installed.

2. WATER LEAKS

- a. Daystar continues to deal with previously reported water leaks. Now that all vent covers have been installed, if you experience a leak please contact Mr. Persak immediately via email. Daystar will be making repairs to all units that have reported problems in the past.
- b. Mr. Persak met with the deck coating contractor regarding the patio leaks. Based on the contractor's analysis as to the cause of the leaks, Council will engage a structural engineer to determine the best solution to the reoccurring leaks.

3. HOUSEKEEPING

- a. Storage Units – If you have any items in the storage rooms that are either in the passage way or in a storage cage that is not assigned to you, please remove those items immediately. After January 1st, any items that are left in the passage way or a cage not assigned to a sold unit will be removed and discarded.

- b. Kudos on your recycling efforts. We have had to go to twice weekly pickups due to the volume of recycled material. Please make certain all containers you put in the recycle bin are rinsed out.
- c. Cardboard Boxes – Please be considerate of others and do not place any cardboard boxes that are bigger than 14” by 14” by 14” in the recycle bins on the residential floors. Even broken down they occupy so much space that they create a problem with our twice weekly recycling schedule. Boxes that are more than ~14 inches in any direction should be left in the garage area across from the Compactor Room doors and need not to be broken down. **Under no circumstance should any size recyclable cardboard box, even if broken down, be put in the trash cute.**

4. DISCUSSION

- a. Considering the high volume of cardboard boxes being recycled in the month of December, a recommendation was made to post a sign in the Trash Rooms reminding residents about the disposal requirements. The Council is actually trying to reduce the number of signs in the Trash Rooms but the recommendation will be taken under advisement.
- b. Mr. Persak mentioned that he plans to call the police tomorrow to request that the bicycle chained to the fence on the west side of the building be removed. Whomever owns the bike can pick it up from the Police Station.
- c. Ms. Horner asked what she should do about a collapsible ladder the Horner's leave in the Storage Room for use by individuals needing it. Mr. Persak said it could be stored in the WHCA Equipment Cage on the upper level garage.
- d. Ms. Sawyer made a comment about how nice the new stair treads on the Main Street first level entry way look. Mr. Chase said that these are a test. Council is trying to find something attractive that has a longer life than the carpet currently on the stairs throughout the building.

F. **Owners Vote on WHCA 2013 Proposed Budget**

1. DISCUSSION

- a. We are still working out how best to estimate the dollar amount to put in the "unanticipated" category of the budget. In the 2013 budget, the fixed costs of all things for which Council has a contract are considered firm. For all other items a healthy amount has been put in the contingency category due to the number of unanticipated items the Association encountered this year. It is a conservative approach but seems more acceptable than lowering monthly fees only to have to do a special assessment or having to raise fees to pay for unanticipated items. Any surplus will be put into the R/R fund to help make up the short fall in the fund.
- b. Mr. Axe asked if the liens are at \$450/month and what the chance of getting those amounts back is. Mr. Chase said that the liens cover the \$450 amount and have been paid in full for both of the units that sold since the liens were put in place. If Daystar contests the payment of the lien, a unit cannot be sold until it is resolved in court and that could take a year.
- c. Mr. Hornor asked what the R/R fund should be at this time. Mr. Chase responded that it should be at ~\$250,000. The Association is at 30% of that. We still have a ways to go. In a couple of years we will need to do a new R/R study.
- d. Mr. Axe asked about the life expectancy of the roof. Approximately 30 years was the answer but there is no warranty on the roof because Daystar negated it by doing work that could only be done by the company that installed it, according to the warranty. The cost to reinstate the warranty was too great especially given that we were already

five years into the 15 year warranty period. As an alternative, Council has negotiated a contract to have inspections of the roof twice a year (\$740 per visit) and to do the minor patching, etc. at each visit. If additional work is needed, it would cost extra.

- e. Mr. Axe asked what the cost to replace the roof would be. Mr. Chase said he didn't know at this time.
 - f. Mr. Montgomery asked why the gutters deteriorated so soon. This was partly due to the very heavy snow storms experienced in 2010 and to the fact that the straps holding the gutters in place were not heavy duty. Heavy duty straps have been installed everywhere the straps gave way and gutter guards have been placed over the front gutters of the building. The price for this work is expected to be between \$3500 and \$4000. The bill isn't in yet. Asked if it could happen again, Mr. Persak answered that it could but the damage would likely not be as great.
 - g. Mr. Mailman asked if there was any way to reduce the \$48,000 electric bill. Mr. Persak said changing the lights in the garage area to LEDs could help. LED units would be expensive to install but would reduce ongoing costs considerably.
 - h. Mr. Mailman asked about motion detectors for some lights in the interior of the building. Mr. Chase said he thought there is a code-problem with motion detectors in a residential/commercial building but Council would confirm this.
 - i. Mr. Chase said that, before repairs, the AC compressor was on 24/7 so we should see some savings now that that has been fixed.
 - j. Mr. Montgomery asked if the municipality gives credits for LED. The response was that given the City of Newark funds the City partly through its electrical fees, it isn't likely.
 - k. Ms. Scott said she felt that the heat at the elevator areas could be reduced and possibly in the hallways too. Seventy-two degrees seems unnecessary given that people are just passing through these areas. Mr. Chase explained how the zoned heating works in vertical columns. The thermostat for each zone is on the 4th floor. It is possible for the temperature to be different on the different floors of a zone. It was suggested the thermostat be lowered to 68F degrees for the winter months to see how that works for residents.
2. VOTE ON WHCA 2013 BUDGET
 - a. Ballots were distributed, owners cast their votes, votes (including absentee ballots and proxy votes) were tabulated. Mr. Chase confirmed a quorum was present and that the budget was approved by a vote of 37 to 0. The 2013 budget will go into effect 1 January 2013 and will be posted on the website this weekend. Invoices are automatically triggered for the first day of the quarter in which they are due.
 - b. Mr. Chase said that if anyone wants to go to a monthly payment plan for their dues it is now OK to do that. He asked owners wishing to change to a monthly payment to let him know and remember the invoices will still go out only quarterly.

G. Open Public Comment

1. Mr. Axe asked about condo-wide social events sponsored by the Council. Mr. Chase said there would be no officially sponsored events because there is some uncertainty about whether or not any liability from such an event would be covered by the Associations if alcohol is served. However, the Community Room and the Sun Decks are common space and any resident can host a private or all-residential event simply by reserving the room on the bulletin board and following the rules associated with use. Ms. Scott said she thought the insurance agent responded that the policy did cover such events. Mr. Chase said that while she thought the policy was silent on the point she was not willing to put in writing that the

Association was covered. Until that is documented, residents are encouraged to plan and execute social events themselves.

2. Regarding the Emergency Action Plan, Ms. Persak brought up the following points:
 - a. A comment about changing the batteries annually in the residential smoke detectors needs to be added to the section addressing smoke detectors. Ms. Bobbs agreed to take that back to the Safety and Security Committee.
 - b. Change wording from "personnel" to "resident". Ms. Bobbs apologized saying that this change was made and that she must have forwarded an older version of the EAP for posting to the website. She will forward a corrected version incorporating this and the above comment as soon as the Safety/Security Co-Chairs (Woods) return to oversee the changes.
 - c. Ms. Persak expressed concern that the Fire Department does not have access except with an axe so she thought someone should be assigned to wait at the entry doors on the north and south ends of the building to let Fire Department personnel in the building. Mr. Chase said this problem has been addressed since the first and only occasion the alarm went off and the Fire Department arrived. Mr. Chase spoke with Councilman Clifton who contacted all emergency response units informing them of the location of the Knox Box for Washington House. Mr. Chase also spoke with the Fire Chief. Ms. Bobbs visited with staff at Aetna Hook and Ladder regarding this issue. Ms. Persak said that was all well and good but that she did not have any confidence that the Fire Department knows how to enter the building should anything happen in future. Mr. Chase agreed to take the issue under advisement to see what could be done to increase confidence that emergency response personnel have easy access in emergency.

G. Adjourn

There being no further business, Mr. Chase asked for a motion to adjourn the meeting. Motion by Mr. Sawyer, seconded by Mr. Persak to adjourn the meeting. Motion passed unanimously: Vote 5 to 0.

Aye — Bobbs, Chase, Persak, Sawyer, Scott

Nay — 0