

Washington House Condominium Association
Council Meeting Minutes
12 June 2013

Those present at 7:00 p.m.

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

A. Attendance via Sign-in

Eighteen units were represented by 25 attendees including owners and renters.

B. Opening Remarks

Mr. Chase's welcoming remarks included thanks to Council members and committee chairs for their work this past quarter and to residents for participating in the meeting. He noted that Council would conduct its business, as usual, but that attendees were welcome to ask questions during the meeting. However, only Council members vote on items of business coming before the Council in this meeting.

C. Approval of Regular Council Meeting Minutes of 6 February 2013

No changes were noted to the minutes of the 6 February 2013 Council meeting. Ms. Scott made a motion to approve the minutes as submitted. Mr. Persak seconded the motion. The motion passed unanimously: Vote 5 to 0.

Aye — Bobbs, Chase, Persak, Sawyer, Scott

Nay — 0

D. President's Report

- SALES: — There have been two sales since the last Council meeting. Unit 416 settled in May. Ava Juliano, a student at UD, will be living in the unit that is owned by her parents. Unit 318 is due to settle on 16 July. The new owners are Lan Xu, who is associated with the business school at UD, and her husband . The lien on unit 416 was paid and we have every reason to expect that the same will be true of unit 318. Seven units remain to be sold.
- RENTALS: — All rental units are in compliance with the Code of Regulations and the Declaration. All rental deposits have been made and filings with the City of Newark are up to date. Mr. Chase confirmed again only 20% (or 10 units) of the 54 residential units can be rented. Five are rentals at this time (though one unit purchased as a rental is being lived in by the owner's son). There is no guarantee that someone who has permission to rent today will have it in perpetuity. If a current resident/owner asks for permission to rent his/her unit in future, and 10 units are already rented, then the oldest permission granted may likely be the first declined in that year. If more than 10 owners request permission to rent, a lottery would probably be used to select the 10. New renters this quarter are Stephen and Tanja Seibt in 213 and Warren and Linda Price in 301.
- AVALON: — WHCA has engaged Avalon Associates for some property management and maintenance work. Avalon is on a fixed fee contract for a specified number of hours per month, which have recently been expanded because "Bruce and Bob" are getting weary of doing property maintenance in addition to fulfilling their Council responsibilities. The Council's tentative plan is to do comparative property-management shopping at the end of the year. The condo fees will go up if we go for more outside property management, however, we cannot expect Messrs Chase and Persak to continue to do all that they have been doing. Andrew, Milo and George (from Avalon Associates) will be on the premises doing power washing this summer and sundry other activities. There will be no power washing on the upper level garage until the leak problem in the UD offices has been corrected.
- ELECTRONIC BILLING: — Mr. Chase reminded attendees that condominium dues and water bills can now be sent electronically. If you have requested this service, please ensure that you have not

blocked treasurer@WHCAowners.org from your e-mail. Owners can also make electronic payments through Intuit (the WHCA pays the 50¢ transaction fee). Credit card payments are not possible. Checks are OK.

- **VANDALISM:** — A month and a half ago, a vandal ripped side mirrors off of some cars, tore down an exit sign on the upper level garage, and pulled down some struts and banged up a car on the lower level garage. A staff member at the Winehouse saw someone running away from his damaged car and called the police. The individual was apprehended. The video films were reviewed but there was no proof that the same individual did the damage on the upper level. Residents are reminded to **CALL THE POLICE FIRST** when you discover your property has been vandalized or the building has been damaged, then call a Council member. In ANY case you should report property damage, however minor it may be (e.g., the pulling over of a tree on WH property), to a Council member because we ARE calling the authorities about such acts, even when we do not file a report, per se. If incidences increase, our expectation is that police foot patrols of the property will also increase.
- **QUESTIONS:** — A question was asked about more cameras. The current system is at its maximum. To add cameras would require an expansion to the system at a cost estimated at around \$20,000. The Association does not have the budget for that at this time. What about stand alone cameras? Stand alone units are on the list for consideration as funds become available. The cameras are more of a deterrent than a preventative but they did enable the police to apprehend the vandals who broke into the building several years ago. They plead guilty and were sentenced.
- **LANG CONSTRUCTION:** — The City has been called several times about Lang construction workers beginning before 7:00 a.m. They have apologized and said they will not start before 7:00 a.m. on Mondays through Saturdays and not before 9:00 a.m. on Sundays (as allowed by City statute). Jeff Lang says that all of the units have been rented and that his crew is working seven days a week to finish the work by the end of summer. Mr. Persak encouraged residents not to be afraid to call the non-emergency police number if equipment starts running before the stated hours.
- **ALARM SYSTEM:** — Sometime this summer there will be a test of the alarm system in the building to ensure that all Council members can shut off the system and reset it properly. Residents will be notified two weeks in advance of the test and an announcement about the test will be made over the enunciator. Residents were reminded that if the alarm does go off, in a non-test situation, residents are to leave the building by the stair wells. The elevators will go to either the lower or upper level garage (depending on the zone of the alarm) and no further, so don't take the elevators. If you cannot get down the stairs, then shelter in place in accordance with the instructions listed in the *WHCA Emergency Action Plan* (on the website at www.washowners.org).
- **OVERNIGHT VISITORS AND OUT OF TOWN PERIODS:** — If you have overnight visitors who will be parking on the lower level, remember to give them a parking placard with your unit number to put on the dashboard. Contact Ms. Bobbs if you need a placard. Residents were advised to let neighbors and a Council member know if they are going to be away for more than a day or two. Also advise Council and neighbors if someone is house-sitting and/or checking your unit periodically.
- **SPECIAL NEEDS:** — Residents with special needs are asked to complete the necessary paper work for the *EMERGENCY PREPAREDNESS VOLUNTARY REGISTRY*. Council would like to verify all of the units with occupants who have special needs (i.e., cannot evacuate the building via the stairwell). Toward that end, residents were asked to check with Ms. Bobbs after the meeting.
- **WINEHOUSE:** — The Winehouse will be closing the end of June for a couple of weeks to remodel for Mr. Baeurle's new partner, the 16-Mile Brewery. The purpose of this partnership is to expand the client base. As far as we can tell, no sale of the property has been made, the current owner has simply taken on a new partner.

E. Treasurer's Report

Ms. Scott reported that, as of today, the Replacement Reserve Fund has a balance of \$20,526.69 after the payments made to Custom Coatings and Design for repair of leaks and cracks. While it is true that WHP, LLC should have completed and paid for this work, it did not and the condition was such that the Association had to do something. The reduction in R/R funds will be partially offset by the payment of the liens as the remaining units are sold.

The Citizens checking account has a balance of \$40,930.98 with only a few small bills to be paid this month. The Stone Balloon has not paid its \$5890.48 second quarter fees yet. Late fees of \$232.50 have been charged. This is the only owner with whom we have problems.

A question was asked about the \$1000 that buyers pay at settlement. Mr. Chase explained that this was actually a slush fund WHP, LLP used prior to turnover to pay for operating expenses not covered by the dues. After turnover, WHCA has used the funds to pay for repairs.

In response to the question of whether or not the Association has problems with WHP, LLC/Daystar, the answer was yes. The Association has had to pay for the replacement of the economizer, just as it is having to handle the leak problems because neither WHP, LLP or Daystar have done anything. The Association's legal council has said that while our position is very strong, one can never guarantee what happens in a trial situation. If we were to draw a judge who favors developers we could lose, regardless of the strength of our position. If we can avoid going to court, it would be good. The liens that are being paid as the units are sold are our best bet. There is a chance, with continued pressure, that Daystar may do something with the individual units that have leaks inside, but that's about it.

Do we have a balanced budget? Yes, but on a monthly basis it looks strange because the expenses are not evenly spread out throughout the year. But we are in good shape this year from an operations and cash flow perspective. Insurance will go up next year; the trash pickup will go up when all of the units are sold. Water rates are going up. So, we cannot say that dues will remain the same for 2014.

The electric bill seems extremely high. Mr. Chase said it has run as high as \$5000 and as low as \$3000. Winter is hard because heating in the common areas is electric. We are running under budget but the cost is high. Lighting is a big part. Mr. Persak said that he has asked for an estimate for the cost of replacing all of the garage lighting. We cannot do it this year because we cannot afford the up-front costs, but in future it is something we need to consider.

In response to the question about what the Reserve Fund amount should be, Mr. Chase said, based on \$110 per unit per month since 2009, it should be around \$250,000. We are clearly not fully funded, but the monies that have been drawn from the Reserve Fund are exactly the kinds of expenses the Reserve Fund is intended to cover. If another big item comes up that cannot be delayed, we will have to do an assessment to cover it.

We expect to receive \$16,800 from lien payments in July and another \$96,000 for six of the seven units left to sell. The unit WHP, LLP uses as a sales office does not accrue Condo Fees. So we are looking at approximately \$112,000 for the fund when all of the liens are paid. If WHP, LLC declares bankruptcy, WHCA would get only two quarters of past due fees per unit. A considerable difference.

A question about insurance coverage and the review thereof was asked to which Mr. Chase responded that the current policy has a \$5000 deductible. Coverage goes up incrementally each year as the building ages. The Master Policy is on the web site, as are the audit report, the Residents Handbook, the Emergency Action Plan, and the Reserve Study.

F. Building Issues and Maintenance Report

Mr. Persak discussed the major facilities and grounds items undertaken since the December report:

1. DECK REPAIR WORK

- a) Weather issues have resulted in a two week delay in completion of the deck repair work. This is the biggest building issue at this time. The contractor had trees down at home during the storm but still hopes to finish the work at Washington House in two weeks.
- b) The Epoxy injection process is mostly completed. There is follow-up work (at the contractors expense) after the torrential rains.

- c) Crack grinding is completed on the west side entrance area. This area requires two layers be applied over the cracks. The first coat has to dry for a day before the second coat goes on, so again, this is weather dependent.
- d) Crack grinding is mostly completed on the west side decks. With the exception of unit 206 which, along with the east side decks has to be done. The sun decks need to be power washed and coated, which will require a minimum of two weeks of work.

The request was made to ask the contractors to clean up the drips resulting from the coating work, etc. Mr. Persak said the power washing should take care of that. Mr. Persak was asked if the work that is being done is in good shape. He said yes, if something does not hold or if a place was missed, the contractor comes back to take care of it at no charge.

- e) Grinding will continue the week of 6//17/13 followed by power washing and application of base and top coats to all decks including the sun decks, depending on weather.
2. FIRE ALARM — Fire alarm system training for available council members was conducted on 4 June with a "Cliff Notes" version created for future use. There are ~120 sensors throughout the building hooked into three panels. Whenever a sensor is triggered a report is sent immediately (or the next day if not critical). Integration Logistics will take over the monitoring tomorrow under its parent company, Protection 1.
 3. ALARM MONITORING — The monitoring of alarms change-over to Protection 1 is expected is expected to be completed Thursday, 13 June 2013.
 4. UNIT WATER LEAKS — Unit water leak inspection was conducted with Tracey Green from Daystar on 15 May. We are waiting for Daystar to assign staff to address outstanding issues. Mr. Persak met with Ms. Green regarding units with leak problems. Ms. Green said she must find someone to do the work (as most staff are working on the Dewey Beach project). As of two days ago she has not found the right people. UD has finally contacted Daystar directly so maybe that will help.
 5. AVALON ASSOCIATES — Messrs Persak and Chase met with JR Leonard, owner of Avalon Associates, to address several administrative issues and to devise a plan whereby Avalon would become responsible for more of the daily maintenance activities that Messrs Persak and Chase have been doing, while holding the line of expenses.

G. Committee Reports

1. COMMUNITY LIAISON COMMITTEE – John Hornor
No significant new developments at this time. Construction has begun on Lang's apartments next to Washington House and on the face lift of the Newark Shopping Center. Construction activities have also started on the site of the apartments and cottages complex at Suburban Plaza.
2. LANDSCAPE COMMITTEE – Jamie Chase
The contract with Springhaus has been renewed and spring mulching has been completed. Residents are invited to pull weeds whenever they can. The area next to Lang's building is being ignored during construction due to the heavy equipment in use. We have already lost some plants and more loss is expected. Due to an arrangement made between WHP, LLC and Lang Development, the WHCA is technically responsible for plants by the Citizens Bank building. This was agreed to in exchange for Mr. Lang's permission to put the brick walkway along the east side of Washington House. The property line goes down the middle of the walkway. Mr. Persak suggested we go to Lang to get him to replace plants that have been lost and damaged. However, Ms. Chase pointed out that Mr. Lang has done as much damage as good. Citizens Bank was responsible for planting the bushes along their side of the building because it looked so bad. We might be able to discuss this again when the new building is completed. In general the landscaping is looking good. Avalon folks are now mowing the lawn.

H. Open Public Comment

- Q. Has anyone noticed a grease smell in the garage coming from the restaurants?
- R. No one has noticed either the smell of grease or garlic inside of their units though the smell is quite evident in the lower level garage behind the restaurants.
- Q. Where do we go for shelter in a tornado?

- R. According to the *Washington House Emergency Action Plan*, residents are to evacuate to the storage area on the lower level parking garage. Additional precautions to take when high winds, etc. are forecast: tie down outside furniture and flatten chairs (if light weight), or bring furniture inside.
- Q. We should have a sign, by the light switch in the Fitness Room, reminding people to turn off the optional lights and to put the equipment away.
- R. It seems both contractors working in the building and various individuals who use the facilities don't pay attention to the most obvious things. Water faucets have been left running in the bathroom in the Community Room. If you pass these rooms in the course of the day, police them, on behalf of everyone.

Ms. Scott informed residents that she is in the process of consolidating the signs in the Rubbish Rooms and asked residents to comply with them.

Mr. Persak invited anyone interested in an unused, new mini-chopper to help his/herself to the one on the table.

I. Adjournment

Mr. Chase thanked attendees for their participation and said the next Council meeting would probably be in September. He asked Council members if there was any other business. None was raised. There being no other business, Mr. Chase called for a motion to adjourn the meeting. Ms. Scott placed the motion that this meeting of the WHCA Council be adjourned. The motion was seconded by Mr. Persak. Motion passed unanimously: Vote 5 to 0.

Aye — Bobbs, Chase, Persak, Sawyer, Scott

Nay — 0

The meeting adjourned at 8:00 p.m.