



## WHCA Budget Meeting Minutes

October 21, 2015

Pursuant to notice, a meeting of the Washington House Condominium Association was held on Wednesday, October 21, 2015, at 7 p.m., in the Washington House Community Room. Present were: WHCA President Michael Chajes, WHCA Vice President Karen Hornor, WHCA Treasurer Bruce Chase, WHCA Secretary Susan Swan, WHCA Council members Eric Mailman and Tamara Montgomery, and WHCA Building Remediation Committee member Warren Pratt. A total of 34 owners, representing 27 residential units, were present; 9 residential units and 1 commercial unit were represented by proxy; therefore, the quorum requirement of 30 units represented was satisfied. Attending at the invitation of the Council were Brad Carrillo and Lorraine Brady of Aspen Property Management.

### Call to Order/Opening Remarks

The President called the meeting to order at approximately 7 p.m. and welcomed the owners in attendance. He welcomed new owners Michael and Tanja Przywara, Unit 216, and Bill Russell, Unit 317, whose son Davis and roommate Alex reside in the unit. Mr. Chajes noted that Unit 317 was the last developer-owned unit in the building.

Mr. Chajes announced that Len Sawyer (Unit 403) resigned from the Council on October 1 and that he had appointed Tamara Montgomery (Unit 316) to serve the remainder of Mr. Sawyer's term, which expires in January 2016. He thanked Mr. Sawyer for his years of service on the Council and thanked Ms. Montgomery for her willingness to serve during such a critical time.

### Council Ratification Votes

Mr. Chajes explained that the Council needed to hold a vote on two items approved informally at previous Council working sessions: (1) a resolution offering a discount for early payment of the special assessments for building defect repairs, adopted unanimously by the Council on September 2, 2015; and (2) the 2016 WHCA regular budget, which had been drafted by Aspen with assistance from the WHCA Treasurer and approved by the Council on September 24, 2015.

Accordingly, Mr. Chajes called for a motion to ratify the Council's adoption of the discount resolution. Ms. Hornor made the motion, which was seconded by Mr. Mailman and approved by a unanimous voice vote of the Council.

Mr. Chajes then called for a motion by Council to ratify the Council's adoption of the 2016 WHCA budget. Ms. Hornor made the motion, which was seconded by Mr. Mailman and approved by a unanimous voice vote of the Council.

### 2016 Budget Vote

Mr. Chase presented highlights of the 2016 WHCA regular budget adopted by the Council, which had been emailed to WHCA owners in advance of the meeting. He noted that the budget was balanced and included no increases in the budget or in homeowner fees.

In response to questions from owners, Mr. Chase noted:

- Unit 306 is presently in probate; a lawyer is administering the estate, and the unit is being prepared for sale; when it sells, the Association's liens on the unit for past-due homeowner fees and special assessments will be satisfied.

- The Replacement/Reserve fund was tapped to pay for a new security camera system after the failure of the previous one. The fund is being built up slowly toward the amount recommended in our replacement/reserve study. When the defects work is completed, a new study will be conducted.

In response to a suggestion about using energy-efficient light bulbs, Mr. Chajes explained that as lights burn out, they are replaced with fluorescent bulbs, and as garage lights fail, they are replaced with new LED fixtures and light bulbs. He noted that with Council's approval he has engaged his UD engineering students to study Washington House energy usage and to develop a cost analysis for installing solar panels on the roof of the building in order to save on electric bills for the common areas.

Following the question period, Mr. Chajes moved to ratify the 2016 WHCA regular budget; Ms. Hornor seconded the motion, and the budget was approved unanimously by a show of hands.

## **General Updates**

Members of the Council and of the Building Remediation Committee presented information on various topics, as follows.

### **SECURITY**

Mr. Chajes noted that students recently climbed onto the scaffolding. He urged that residents in the construction zones be alert, keep their doors and windows locked, and call the police immediately if they suspect any problems. He noted that the security guards continue to report problems in the east-side tunnel.

### **RECYCLING**

Ms. Hornor noted the following:

- The Association has obtained one extra recycling bin for each residential floor so that when bins are taken down to the garage to be emptied, they can be replaced immediately.
- All boxes must be broken down before placing them in the recycling bin, so that they take up as little room as possible; if they are not broken down, they leave little room for anyone else's recycling.
- Plastic bags and shredded paper are not recyclable because they clog up the single-stream recycling equipment.

A suggestion was made to print out recycling rules and put them on every door annually in order to achieve better enforcement of the rules, as there can be considerable turnover in occupancy from year to year.

### **RENTAL UNITS**

Mr. Chajes announced that Washington House now has reached its City-prescribed limit of 10 rental units. He noted that the Council is not further accepting applications to rent at present, while it conducts an analysis of WHCA rental policies and obtains community input on the issue.

### **CONSTRUCTION LOAN**

Mr. Chase reviewed the draw schedule and cash flow needs for the defect repair project and provided an update on efforts to obtain a construction loan. He noted that if the WHCA is unable to obtain a loan, it will likely be necessary to revoke the present special assessment schedule (which allows owners to make annual payments through 2020) and instead make the entire special assessment due in 2016, in order to cover the construction costs, most of which occur next year.

Accordingly, he said, it's extremely important that every owner who can pay the whole special assessment up front do so, taking advantage of the discount offer for those who pay in full by January 31.

He noted that if owners can obtain their own personal loan to make the early payment, they would receive the discount and may be eligible to deduct their loan interest on their taxes, making it an attractive option for owners and very helpful to the Association's cash flow.

He said owners will receive an update when there is word on the results of the loan applications.

## **CONSTRUCTION UPDATES**

Mr. Chase reviewed the status of the ongoing construction work on Phase 1 (northeast side) and Phase 2 (north and northwest sides). Responding to questions from owners, he noted that:

- So far it has not been necessary to pull out any windows.
- The construction plan calls for new brick to be installed by winter in all the Phase 1 and 2 areas where demolition presently has occurred, weather permitting.
- Council will explore the possibility of providing a tour on the scaffold for owners and residents.
- Residents may not use their fireplaces until informed that it is safe to do so, which will be when the exterior repairs are completed and scaffolding removed.
- It is generally not possible to inform residents in advance when strong-smelling chemicals are used during construction, because the work is weather-dependent and can't be precisely scheduled; however, Council has been assured that the chemicals, while giving off a strong odor, are not harmful.

## **LEGAL UPDATES**

Mr. Pratt, a member of the Building Remediation Committee, summarized the present status of the defects lawsuit. He noted that there is not a great deal of legal activity — and accordingly, legal expenses — at present while we await a ruling by Judge Carpenter on motions to dismiss the lawsuit from three defendants.

## **Open Discussion**

Mr. Chajes opened the floor for further questions from attendees. In response to a question, he noted that owners should change their air-conditioning filters very often during construction to save on energy costs and prevent equipment failures.

## **Adjournment**

There being no further questions, Ms. Hornor made a motion to adjourn, seconded by Mr. Mailman, and Mr. Chajes adjourned the meeting at approximately 8:25 p.m.

Submitted by Susan Swan.

Attachments: Resolution of the Council of the WHCA Regarding Special Assessment Payment Alternative; WHCA 2016 Budget

**Minutes approved by voice vote of WHCA on January 20, 2016**