



Unanimously approved by voice vote of WHCA at Annual Meeting 1/25/17

WHCA Budget Meeting Minutes

October 27, 2016

Pursuant to notice, a meeting of the Washington House Condominium Association of Unit Owners was held on Thursday, October 27, 2016, at 7:00 p.m., in the Washington House Community Room. In attendance were: WHCA President and Council member Michael Chajes, WHCA Vice President and Council member Karen Hornor, WHCA Secretary and Council member Susan Swan, WHCA Council members Eric Mailman and Tamara Montgomery, WHCA Treasurer and Building Remediation Committee member Bruce Chase, and Building Remediation Committee member Warren Pratt. Brad Carrillo and Virginia Milburn of Aspen Property Management attended at the invitation of the Council. Attendees included a total of 31 people representing 27 residential units and 1 commercial unit; another 4 residential units and 2 commercial units were represented by proxy. A total of 34 units were represented in person and by proxy, thus satisfying the quorum requirement of 30 units represented.

Call to Order/Opening Remarks

The President called the meeting to order at approximately 7:05 p.m. and welcomed the attendees. In his opening remarks, the President informed attendees that we achieved a quorum (of 30 units represented) only minutes before the commencement of the meeting. He urged owners to make every effort to attend, and to submit a proxy form when they are unable to be present.

Approval of Minutes

The President conducted a voice vote to approve the minutes from the Association's January 20, 2016, Annual Meeting. The minutes were approved with no dissent.

Old Business

None.

2017 Budget

Mr. Chajes explained the process by which WHCA annual operating budgets are drafted and approved. He noted that Aspen and the Treasurer had drafted the 2017 operating budget; that the Treasurer presented the budget to Council at an informal working session on August 24, 2016, at which time the Council approved it; that the budget was emailed to owners on October 10, 2016; that the Council had formally voted to adopt the budget at a Council meeting just prior to this one; and that the Association would now discuss and vote on ratification of the budget.

Mr. Chase then gave a slide presentation (attached) on the 2017 WHCA operating budget, the replacement/reserve fund (R/R), and the defect repair budget. He noted a number of key points, including the following:

- The 2017 operating budget is balanced.
- The operating budget includes no increase in homeowners' quarterly condominium fees.

- After three straight years without a rate hike, Aspen Property Management raised its management fee by 9 percent for 2017.
- The installation of energy-saving light bulbs in common areas has reduced electricity costs.
- Insurance costs have risen because of the aging of the building and the requirement for extra insurance during construction.
- Because the developer budgeted no contributions to go into the replacement/reserve fund and the Association had to start at zero at turnover, we have been putting 22 percent of all homeowner quarterly assessment income into R/R; however, with more than \$400,000 now in R/R, we have lowered the R/R contribution to 15 percent, as recommended by Aspen.
- Lowering the R/R contribution enabled us to put more money into our contingency fund, which is used to pay relatively low-dollar, unanticipated expenses that otherwise would require borrowing from R/R.
- The only R/R expenditure in 2016 to date was the purchase of replacement north-side awnings.
- Future quarterly assessments will include the water bill, making billing and payments simpler.

In response to various questions from owners:

- Mr. Chase mentioned that payments were made to Lang Development Corporation for the use of parking spaces adjacent to Washington House for defect construction purposes.
- Mr. Carrillo explained that dirty hallway carpeting will be shampooed soon; repainting and cleanup of entrances will occur after construction, and carpeting likely will be replaced.
- Mr. Chase explained, regarding the Cosi bankruptcy and closure of the restaurant in Washington House, that Cosi rented the space but did not own it, so payments of regular and special assessments are still the responsibility of the owner, who is seeking a new tenant.
- Mr. Chase noted that it's too soon to know how homeowners' fees will be affected in the future. A new R/R study will be performed next year and will help inform our budgeting and decision making.
- Mr. Chase noted that no units have gone into delinquency in their special assessment payments except for Unit 306, which is in probate.

There being no further questions, Mark Boytim made a motion, seconded by Mary Woods, to ratify the 2017 WHCA budget. The motion passed unanimously, with votes in favor from 27 residential unit shares, 3 commercial unit shares, 4 residential unit shares by proxy, and 6 commercial unit shares by proxy, totaling 40 votes in favor, 0 opposed.

Construction Update

Mr. Chajes provided a number of updates on the defect construction project, including the following:

- All surfaces behind the brick veneer are now sealed with a moisture control system.
- Brick veneer repairs are completed and the scaffolding is down around two thirds of the building.
- Scaffold dismantlement from the northwest corner through the northwest sundeck is imminent.
- Replacement of brick veneer on the building is finished except for a small west-side surface.
- Some brick on the west side remains to be grouted and finishing details completed.
- All brick veneer repairs are expected to be completed and scaffolding dismantled by Nov. 30.

- Interior repairs related to defects will be performed throughout winter.
- Some work on the sundecks, balconies, and patios remains; those repairs are weather-dependent.
- All residents may now resume the use of fireplaces; HOWEVER, for the safety of the construction workers, if scaffolding remains outside your unit, you may NOT use your fireplace during work hours (usually 7 a.m. to 3 p.m. weekdays). Information regarding restarting fireplaces is coming soon in an email.

Open Discussion

In response to various questions from owners during open discussion:

- Ms. Swan said there are no plans to coordinate the cleanings of dryer vents, so owners must make those arrangements themselves as needed; however, group HVAC servicing will be available again in the spring.
- Mr. Pratt provided a brief update on the WHCA lawsuit against the developer, noting a number of upcoming deadlines (motions due 11/11/17; mediation 11/17/16; trial scheduled for 4/3/17).
- Landscaping Committee Chair Jamie Chase explained that once all scaffolding and barriers are gone, the grounds will be cleaned up; however, refurbishment of the landscaping will not take place until after construction to replace the defective stonework.

Adjournment

There being no further questions, Mr. Chase made a motion to adjourn, seconded by Shao-Tang Sun, and Mr. Chajes adjourned the meeting at approximately 8:12 p.m.

Submitted by Susan Swan

Attachments: WHCA Annual Meeting Minutes, January 20, 2016; WHCA 2017 Operating Budget; Budget slide presentation