



PROVISIONAL

WHCA Budget Meeting Minutes October 23, 2019

Pursuant to notice, a meeting of The Washington House Condominium Association of Unit Owners was held on Wednesday, October 23, 2019, at approximately 7:08 p.m., in the Washington House Community Room. In attendance were: WHCA President and Council member Mary Woods, WHCA Secretary and Council member Susan Swan, WHCA Council members Cathy Grinstead and Eric Mailman, and WHCA Treasurer Bruce Chase. In attendance were 37 Unit Owners and 0 designees. A total of 48 units were represented (30 units in person and 18 by proxy), thus satisfying the quorum requirement of 30 units represented in order to hold the meeting. A majority of all unit owners, apportioned by unit shares, being required to adopt any measure during an Association meeting, the minimum requirement of 34 unit shares represented was also satisfied, as follows: 34 unit shares in person and 20 unit shares by proxy, for a total of 54 unit shares represented.

Call to Order/Opening Remarks

The President called the meeting to order and welcomed the attendees. She announced that the quorum required to hold the meeting had been reached. She then reviewed the process for passage of the annual WH operating budget.

Old Business

None.

Approval of Minutes

The President called for a motion to approve the Secretary's minutes from the Association's October 18, 2018, Budget Meeting. Mieko Matsumoto so moved, Steven Reilly seconded the motion, and the minutes were approved on a voice vote of the members with no dissent.

Treasurer's 2020 Budget Presentation

Mr. Chase reviewed and answered questions on the 2019 year-to-date operating budget, replacement/reserve fund, and defect repair budget. He reviewed and answered questions on the 2020 WHCA operating budget adopted by the Council. His remarks included the following:

- The 2019 year-to-date operating expenditures are running slightly under budget and are expected to come in slightly under budget at the end of the fiscal year.
- The Replacement/Reserve (R/R) fund has been used so far this year to paint the interior common areas, to replace the common-area carpet, to replace common-area HVAC units, and to replace exercise equipment. The fund balance is 86% of the recommended amount and continues to grow through regular contributions to the fund from the operating budget.
- The replacement of the exterior stone is complete, and most remaining defect repairs are expected to be completed in 2019. The outstanding major repairs are the installation of south-end parking garage rain guards and second floor patio partitions, both of which await delivery of back-ordered construction materials but are still scheduled for completion by December, as well as some possible further repairs to the parking decks and possible replacement of 4th floor sundeck slider doors.

- The 2020 operating budget adopted by the Council is balanced.
- The budget includes an increase in regular homeowners' condominium assessments (HOAs) from \$1,650 per quarter per unit share to \$1,750 per quarter per unit share.
- The HOA increase was driven by an increase in insurance costs and by increases in property management and maintenance fees, which will remain at present levels through 2022.
- The 2020 budget introduces line items for contingencies (spending on existing, budgeted items that exceed the budget for that year); a "rainy day" fund (for major repairs that do not meet the criteria for the use of replacement/reserve funds); and Council discretionary expenses (for small, unanticipated needs not in the budget).

Responding to questions from attendees, Mr. Chase explained that the 2nd floor west entrance will be reopened after west-side repairs are completed and the construction area demobilized; that the status of the R/R fund (at 86 percent of recommended) far exceeds what many condominiums maintain; that the rate of return on the R/R fund is 3 percent; and that the potential removal of slider doors at the sundecks will not substantially impede the moving of patio furniture in and out.

2020 Budget Ratification Vote

There being no further questions, Ms. Woods called for a motion to ratify the Council's adoption of the 2020 WHCA operating budget. Bill Montgomery so moved, Mr. Reilly seconded the motion, and the budget was adopted on a voice vote of the owners in attendance, with no dissent.

Open Discussion

There were no questions. Pamela Bobbs moved to close the discussion; Shao-Tang Sun seconded the motion, and the discussion was closed.

Adjournment

There being no further discussion, Ms. Woods called for a motion to adjourn. Mr. Reilly so moved, Mr. Sun seconded the motion, and Ms. Woods adjourned the meeting at approximately 7:38 p.m.

Submitted by Susan Swan

Attachments available upon request:

WHCA 2020 Operating Budget

Treasurer's 2020 Budget Presentation