

# Colecroft Station Condominium- Board of Directors

## Special Meeting Minutes

April 12, 2010

President John Fay called the meeting to order at 7:05 pm. Two topics made the agenda. The first was a budget revision issue brought by Edmund Willis the Treasurer. The other was the assessment conveyance issued raised by former President, Richard Calderon.

Board members and Management in attendance:

1. John Fay
2. Edmund Willis
3. Chris Burruss
4. Catherine Drucker
5. Paul Abramson
6. Marlene Jose

Board Treasurer, Edmund Willis led the discussion on budget revision by proposing a budget increase to account for year-to-date operating expense shortfalls and the need to establish an operating contingency fund. All present considered Ed's proposal by carefully going through the budget line- by- line looking for ways to revise the 2010 budget to cover shortfalls in operating funds, operating contingency fund, and reserve replacement funds.

Budget revision adoption date was an issue. Some suggested we adopt the Treasurer's suggested budget revisions now, i.e. adopt changes in June or July. Paul Abramson felt it a good exercise to go through to see where we are, but should be put off and revisited during the annually budget discussion and the board should incorporate the treasurer's information into the 2011 budget discussions in October.

Motion: Edmund Willis moved that the board adopt the proposed change in the budget and make it effective June 1, 2010. Catherine Drucker seconded.

Several minutes of discussion followed. Chris Burruss felt the board could not vote on the pending motion until year -to -date financial data is known.

This led to a related question: "Given the suggested budget increase, what are appropriate and fair assessments to be charged to commercial units? " After some discussion, the board reached a

consensus that commercial assessment amounts could not, at this time, be determined, so the Treasurer withdrew his motion. The motion was tabled to be revisited again at the May board meeting

Paul Abramson and Chris Burruss cited By law 5.1h, page 24, in connection with expenses payable by "Residential units only: "Certain expenses benefiting residential units only shall be assessed against residential units only". Paul and Chris proposed that commercial assessment should be based not on the entire Association budget but instead on a modified budget, the association budget minus budget items or expenses that are" residential unit only" (Bylaw Art5.1 (h)).

The Board heard Mr. Abramson's suggestion that he and Mr. Burruss attempt to list items that benefited residential units only, in accordance with Bylaw Art. 5.1(h) and deferred action until the board could hear from them at a subsequent meeting.

The board discussed the matter of insufficient repair and replacement reserves for the commercial buildings, and deferred further discussion, pending an opinion by legal counsel.

#### Action Items

1. Paul Abramson, Chris Burruss will examine the 2010 budget line-by-line to come up with a table or spread sheet showing what they feel can be meaningfully classified as "residential unit only", commercial or common budget expenses and submit the table to the board for review, discussion and voting. Due Date: May Board meeting.

At the May board meeting, board members will go through the table line-by-line to decide on which budget items satisfy the residential unit only expense condition and which do not. The board will do this by voting to accept or reject each line item classification. A unanimous vote is required.

2. John Fay: Submit question(s) to Attorney Segan for opinion on the question: If a commercial operating or reserve repairs or replacement expenses occur and there is not sufficient money to cover costs with existing reserve actual amounts on hand, then a special assessment will be made on commercial owners, only, or whoever owns the buildings. Or, is the association board only responsibility for repair and replacement costs of commercial buildings consistent with association by-laws and the Virginia Condominium Act? Due Date: May board meeting.

3. Marlene: Colecroft Station Condominium Association or Cardinal pays Workers Compensation benefits for Association part-time employees? Due Date: May Board meeting

4. Management: Go Back through records to determine how much has been allocated or put into Commercial Reserves over the past several years to try to come up with amount that should be on hand compared to the amount actually on hand. Due Date: May Board meeting

Meeting Adjourned at 8:55pm.