

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
PARKFAIRFAX CONDOMINIUM  
Second Session  
March 19, 2014**

**ATTENDANCE**

Directors Present: Lyle Drew, Vice President; Rich Moha, Secretary; Kathy Schramek, Treasurer; and Directors Dave Bush, Anna Fernezian, Ralph Heinze, Randy Sparks and Robin Woods.

Directors Absent: Barbara Turpyn, President

Others Present: George Gardner, General Manager; Richard Kuziomko, CMC Division Director, Maureen Burns, Portfolio Community Manager and Will Washington of Chadwick, Olters and Washington., LLB

**CALL TO ORDER**

Vice President Drew called the Second Session of the March 12, 2014 Regular Meeting of the Parkfairfax Board of Directors to order at 7:03 p.m. Noting that when adjournment was achieved at the first session the Board was meeting in Executive Session, he requested motion to move from Executive Session into open session.

**The Board adjourned the Executive Session into Open Session at 7:04 p.m. on a motion made by Mr. Moha and Seconded by Mr. Heinze. The Motion passed (8-0-0)**

**UPDATE AND APPROVAL OF AGENDA**

**(R) MOVED by Mr. Moha, SECONDED by Mr. Heinze to approve the agenda, as amended. The motion passed (8-0-0).**

Prior to a vote on the main motion, the following amendment was accepted as a friendly addition to the motion:

Ms. Fernezian requested that review of resolutions be added to the agenda under Matters for Board Decision.

**INTRODUCTIONS AND ANNOUNCEMENTS**

CMC Division Director Richard Kuziomko introduced Maureen Burns, recently appointed Portfolio Community Manager for Parkfairfax and the Board welcomed her. Mr. Kuziomko also announced that CMC President and Chief Executive Officer Heather Graham has resigned and will be replaced by Nicholas Mazarella as President and CEO of Associa, CMC.

**EXECUTIVE SESSION**

- (R) **At 7:09 p.m., the Board unanimously voted to approve a Motion made by Mr. Moha and Seconded by Ms. Fernezian, to recess the Open Session and reconvene in Executive Session to discuss personnel, legal or contractual matters, as permitted by subsection (C) of Section 55-79.75 of the Code of Virginia. One motion was made during the Executive Session and the Board adjourned the session into Open Session at 8:08 p.m. on a motion made by Mr. Moha and Seconded by Ms. Schramek so as to affirm all motions made during the Executive Session.**

### **OPEN SESSION**

Settlement of Legal Action: During the Executive Session Legal Counsel Will Washington presented a review of a potential legal action taken against the Association by an owner concerning a maintenance issue and advised the Board on a course of action. He reported that the issue underlying the potential legal action had been resolved prior to the legal action being taken to court, but that certain expenses associated with potential legal action generated by each party should be resolved.

- (R) **MOVED by Ms. Schramek, SECONDED by Mr. Sparks: that the Board of Directors of the Parkfairfax Condominium Unit Owners Association agree to expend \$3,000.00 to settle a potential legal action. The motion passed (6-2-0) with Secretary Moha and Director Sparks opposed.**

### **RESIDENT FORUM**

No residents requested to speak to the Board.

### **MATTERS FOR BOARD DECISION**

Approval of FY 2015 Insurance: General Manager George Gardner reported that of four insurance brokers who serve what is known as the “admitted” market were contacted with a Request for Proposal for provision of a Master Insurance Policy for Parkfairfax and only one responded, this being Weaver/Greater New York with a quote of \$342,333.00. One Broker serving in the “surplus” market, that being AIAI (the current Broker for Parkfairfax) responded with a quote for \$451,550.00. He noted that the quotes did not include Workers Compensation Insurance and the Weaver/Greater New York quote is predicated on removal of swimming pool diving boards which can be insured under a rider at about \$5,500.00 per board which would amount to about \$11,000.00 to \$12,000.00 for Parkfairfax. He added that the Master Policy includes General Liability, Property, Earthquake, Directors & Officers, Crime (Fidelity), Boiler & Machinery, Umbrella, WC and Auto and that the Weaver/Greater New York also includes Cyber Liability coverage. He also advised Members that insurance premiums were based on a \$50,000.00 deductible and that if this were to change the ultimate cost would also change. He reported that he is expecting to receive other bids and asked if the Board wished to proceed to a decision at this meeting or to wait until all information is available.

Vice President Drew asked for a show of hands as to whether Members wished to continue the discussion of insurance at this meeting or dispense with discussion until more information is available. The Board agreed to continue.

Discussion centered around the pros and cons of continuing to have two diving boards at the Martha Custis A Pool and Members also asked questions about coverage under the Weaver/Greater New York Policy.

- (R) MOVED by Mr. Bush, SECONDED by Ms. Schramek: that the Board of Directors of the Parkfairfax Condominium Unit Owners Association approve a Master Insurance Policy with Weaver/Greater New York at a cost of \$342,333.00 and to approve funds of up to \$12,000.00 for an insurance rider covering two diving boards at the Martha Custis A Pool. The motion passed (7-1-0) with Secretary Moha opposed.**

Final Approval – Fiscal Year 2015 Budget: Vice President Drew pointed out that the Fiscal Year 2014 approved allocation for provision of insurance stands at \$503,545.00 and that at the first session of this meeting the Board approved provision of \$560,000.00 as the expected cost of premiums for the coming year when it gave final approval for the Fiscal Year 2015 Budget. He noted that with the approval of insurance from Weaver/Greater New York the Board now had an opportunity to lower the approved monthly assessment from 5.60% to some lesser number in order to pass along the savings garnered by the lowering of the premium. He pointed out that the policy will cover two months of FY2014 and ten months of FY2015 and he and General Manager Gardner presented, through the visual aid of a master presentation board, expected savings associated with each fiscal year's premium. Vice President Drew asked the pleasure of the Board on a lowering of the approved assessment for FY2015.

Discussion centered around the amount the fee should be lowered to reflect savings in premium given that there is a \$50,000.00 deductible which may be spent if there are one or more catastrophic events like the Deratio or Snowmageddon. It was also noted that there are a number of expenses associated with capital improvements and reserve projects which are looming on the horizon, such as building settlement and replacement of 70 year old domestic water lines, and that funds need to be put aside for these as a matter of prudent planning.

Extension of Time of Automatic Adjournment: During review of the renewal of the Master Policy the following motion to extend the time of adjournment was presented:

- (R) MOVED by Mr. Bush, SECONDED Mr. Sparks to extend the automatic time of adjournment until 10:00 p.m. The motion passed (6-2-0) with Directors Moha and Woods opposed.**
- (R) MOVED by Mr. Drew, SECONDED by Ms. Schramek: that the Board of Directors of the Parkfairfax Condominium Unit Owners Association approve adjusting the approved Fiscal Year 2015 Assessment from 5.60% to 4.08% and to maintain savings generated**

by a lower than expected Master Insurance Policy premium under the line item governing insurance. The motion passed (5-3-0) with Secretary Moha and Directors Bush and Fernezian opposed.

- (R) **MOVED by Mr. Moha, SECONDED by Ms. Fernezian: that the Board of Directors of the Parkfairfax Condominium Unit Owners Association approve adjusting the approved Fiscal Year 2015 Assessment from 5.60% to 3.01%. The motion failed (3-5-0) with Secretary Moha and Directors Bush and Fernezian in favor.**

Approval of February 2014 Reserve Expenditures: General Manager Gardner presented a list of reserve expenditures for the month of February 2014.

- (R) **MOVED by Mr. Drew, SECONDED by Ms. Fernezian: that the Board of Directors of the Parkfairfax Condominium Unit Owners Association approve \$32,619.59 in Reserve Expenditures for February, 2014 with funds to come from GL 3280, Reserve Expenditures. The motion passed (6-1-1) with Secretary Moha opposed and Treasurer Schramek abstaining.**

Resolution Review: Director Fernezian stated it had been over twenty years since many of the items in resolutions have been addressed to meet current environmental, functional, and lifestyle changes and that it is important to tackle this daunting initiative sooner rather than later. She recommended that Director Bush continue to take the lead in this effort as he has historic and institutional knowledge with regards to what is involved in updating the rules and regulations. She then presented the following motion:

- (R) **MOVED by Ms. Fernezian, SECONDED by Ms. Schramek: that the Board of Directors of the Parkfairfax Condominium Unit Owners Association approve the establishment of the Policy and Administrative Resolutions Review Project and appoint Director Bush to steward the development of the strategy, the committee structures and appointees, and the timeline for the project and that the project as outlined by Director Bush be postponed to the September Board Meeting. The motion passed unanimously (8-0-0).**

### **MATTERS FOR BOARD DECISION**

Native Plant Sale: Vice President Drew reported that during the past several weeks there has been a good deal of discussion about a change in name for the Native Plant Sale from the Parkfairfax Native Plant Sale to the Northern Alexandria Native Plant Sale or the Parkfairfax/Northern Alexandria Native Plant Sale, depending on whether one accessed the Facebook or the website dealing with the sale. After a good deal of back and forth correspondence with Scott Knudsen, the Director for the sale who had made the change in name, Mr. Knudsen agreed that because Parkfairfax sponsors the sale the title should revert to the original Parkfairfax Native Plant Sale.

The Board then took up discussion as to how oversight would be undertaken for the sale and, after weighing different methods of oversight, the following motion was made:

- (R) **MOVED by Mr. Bush, SECONDED by Ms. Woods: that the Board of Directors of the Parkfairfax Condominium Unit Owners Association approve the establishment of a Parkfairfax Native Plant Sale Committee and that Director Bush be assigned the task of writing and submitting Terms of Reference for that committee. The motion passed unanimously (8-0-0).**

Director Bush volunteered to be the liaison from the Board of Directors to the new committee.

### **MATTERS FOR BOARD INFORMATION**

CMC Division Director Richard Kuziomko presented the February Financials and Variance Report for review.

### **EXECUTIVE SESSION**

- (S) **At 9:05 p.m., the Board unanimously voted to approve a Motion made by Mr. Drew and Seconded by Mr. Moha, to recess the Open Session and reconvene in Executive Session to discuss personnel, legal or contractual matters, as permitted by subsection (C) of Section 55-79.75 of the Code of Virginia. Two motions were made during the Executive Session and the Board adjourned the session into Open Session at 9:40 p.m. on a motion made by Mr. Drew and Seconded by Mr. Sparks so as to affirm all motions made during the Executive Session.**

### **OPEN SESSION**

Approval of Employee Severance Package: During the Executive Session General Manager Gardner informed the Board he had terminated the employment of a long time employee and he presented a financial severance package which he recommend the Board approve.

- (R) **MOVED by Mr. Drew, SECONDED by Ms. Schramek: that the Board of Directors of the Parkfairfax Condominium Unit Owners Association agree to a severance package proposed by the General Manger for an employee who has been separated from employment by the Association. The motion passed (6-2-0) with Secretary Moha and Director Woods opposed.**
- (R) **MOVED by Mr. Bush, SECONDED by Ms. Schramek: that the Board of Directors of the Parkfairfax Condominium Unit Owners Association direct that management not hire a replacement for the employee who was separated from employment by the Association. The motion passed (7-1-0) with Director Woods opposed.**

### **ADJOURNMENT**

- (R) MOVED by Mr. Drew, SECONDED by Ms. Fernezian: to adjourn the second session of the March 12<sup>th</sup> Regular Meeting of the Board of Directors. The motion passed (8-0-0).**

Vice President Drew adjourned the meeting at 9:45 p.m.