

December 2021 Vol. 43, No. 12 https://app.townsq.io/login Focus on Repair and Replacement Reserves

One of our Board of Directors' most important fiduciary responsibilities is to maintain the integrity of Fairlington Villages' buildings and infrastructure on behalf of our owners in the most cost-effective way. The Board executes this responsibility by raising and managing the expenditure of Repair and Replacement Reserves. This article examines our Repair and Replacement Reserves' purpose and why they must be fully funded, discusses our interconnected five-year Reserve Studies and annual reserve budgets, and

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Management Office Holiday Hours

Fri., Dec. 24, Christmas Eve: Office closed, Trash pickup Sat., Dec. 25, Christmas Day: Office closed, Trash will not be picked up Fri., Dec. 31, New Year's Eve: Office closed, Trash pickup Sat., Jan. 1, New Year's Day: Office closed, Trash will not be picked up reviews examples of past, current, and future Repair and Replacement Reserve projects.

THE BASICS

The Association maintains two types of reserves — Operating Reserves and Repair and Replacement Reserves. Operating Reserves, which are also known as Unappropriated Owners' Equity, consist of the cumulative total of previous fiscal years' operating surpluses. These funds are used to pay for extraordinary unbudgeted *continued on page 2*

Avoid Being Towed by Getting Your 2022 Parking Decal

The shape of the 2022 parking decal is a pentagon. The 2022 decals are available at the Management Office. All Fairlington Villages 2021 parking decals in the shape of a circle will expire on Fri., Dec. 31, 2021. As of Jan. 1, 2022, vehicles without a visible valid 2022 decal in the shape of a pentagon in Fairlington Villages' parking lots are subject to immediate towing at the owner's risk and expense, with no regard to whether expired permits are displayed.

BEAT THE HOLIDAY CRUNCH

Beat the year-end deadline by visiting the Management Office early. Please be sure to wear your mask and practice social distancing when you visit. For safety, only one visitor or family will be admitted to the Office at any given time. You can schedule an appointment to avoid waiting outside. The Management Office is open Monday through Friday from 8:30 a.m. to 5:30 p.m. and on Saturday from 9 a.m. to 2 p.m. except for the holiday hours noted above. Please call



us at 703-379-1440 or e-mail <u>office@fairlingtonvillages.com</u> to arrange a convenient time to pick up your parking decal.

DECAL REQUIREMENTS

To be issued a 2022 parking decal:

- Condominium assessments for the unit must be paid and current.
- A current lease must be on file for rental units.
- A current automobile registration must be presented for each vehicle for which a permit is being requested.

No decal may be issued unless each of these requirements is met — there are NO exceptions. Read the <u>Parking Enforcement Policy</u> <u>online</u>. Do not delay, get your new decal today.



Reserves fund major projects such as slate roof replacement and masonry repairs.

Savings resulting from a

failure to fund reserves

are "fool's gold."*

PHOTOS BY MANAGEMENT

RESERVES

continued from page 1

day-to-day operating expenses that may occur in the course of a fiscal year, for example, extraordinary snow removal costs.

In contrast, Repair and Replacement Reserves (or Reserves), are used to finance long-term major capital assets needs such as replacing or renovating roofs, balconies, exterior masonry, apartment building hallways, sewer lines, swimming pools and pool houses, trash container concealment sites, and

parking lots. Setting aside funds each year to finance these current and future capital needs

is especially critical in an almost 80-year-old community with an aging infrastructure where some of our original physical assets have passed, or are nearing, the end of their useful lives.

THE CASE FOR FULLY FUNDED RESERVES

Managing our reserves requires both budgeting an adequate annual contribution to our reserve fund and ensuring that the fund has enough cash on hand to pay for each fiscal year's reserve projects. Some condominium associations attempt to keep fees low by not funding reserves or by budgeting for reserves and then extensively borrowing from them for operating expenses. As one expert on condominium reserve funds states, however, any savings resulting from such policies are "fool's gold."* If an association that has kept fees

low by failing to fund reserves suddenly needs to make a major capital

expenditure, it must either borrow money at the current market rate or impose a special assessment — a bill that may impose exceptional hardships on an association's homeowners, particularly those living on fixed incomes. Fairlington Villages has never levied a special assessment. We have always maintained adequate reserve funds and, with the sole exception of Fiscal Year 2021 (FY21) when condo fees were kept flat as our homeowners faced the COVID-19 pandemic's unprecedented challenges, have gradually increased fees each year to fund our operating and reserve needs.

Reserves are not only needed to maintain our infrastructure without special assessments or spikes in condo fees. Having adequate reserves is also a requirement of most major mortgage lenders. That is, for Fairlington Villages' homes to be eligible for most mortgage financing, whether for purchase or refinance, the Association must meet a number of requirements to show that a home in the community is good collateral for a mortgage — having adequate reserves is one of these requirements.

A final reason for adequately funding reserves is our homes' market valuation. Resale packets provided to new owners when Fairlington Villages units are sold must include information on the Association's reserves. Maintaining fully funded reserves is a selling point that helps ensure that *continued on page 3*

^{*} Robert Nordlund, founder and CEO of Association Reserves, a group that helps condo associations frame long-term reserve budgets, quoted on *Morning Edition* with Sacha Pfeiffer. See NPR, July 19, 2021, article online: "Why Steady, Low Condo Fees Should Raise a Flag."

RESERVES

continued from page 2 our units will maintain their value in a highly competitive Northern Virginia real estate market.

FIVE-YEAR RESERVE STUDY

Fairlington Villages' five-year Reserve Studies are the foundation of our reserve budget and expenditures. The Virginia Condominium Act requires that at least once every five years associations conduct a study to determine the amount of

has never levied a

special assessment.

reserves needed to repair, replace, Fairlington Villages and restore major capital assets. Facilities Engineering As-

sociates (FEA), an engineering and facility management consulting firm specializing in extending the service life of existing facilities and building systems, completed the Association's most recent five-year Reserve Study Update in March 2019. The study included an onsite survey of Fairlington Villages' common capital assets, assessments of these assets' anticipated life expectancies and replacement costs, and a review of the Association's existing reserve balances and spending plans. It assumed an annual inflation rate of 2.5%,

based on the average change in the Consumer Price Index over the last ten years.

The study, which the board accepted at its April 3, 2019, meeting, recommended continuing Fairlington Villages' existing 1% annual increase in reserve fund contributions in FY20 and subsequent fiscal years to provide "sufficient funds" to meet projected capital expenditures in the early-

> and mid-2020s while "building up reserves to be able to address the next cycles of major

repairs that will occur in the years beyond 2038." More specifically, it proposed spending between approximately \$1.8 million and \$3.6 million each year on reserve projects through FY28 with reduced annual spending thereafter, and proposed specific annual lists of reserve projects for the 20 fiscal vears through FY38. Previous 2009 and 2014 FEA studies had recommended that reserve spending be increased by 6% per year from FY10 through FY16, with annual increases reduced to the aforementioned 1% thereafter.

ANNUAL RESERVE BUDGET

The 2019 Reserve Study Update is the basis for our current annual reserve fund contributions and capital expenditures. Each fiscal year the Association increases contributions to its reserve fund by 1%, with the exception of previously noted FY21 when contributions were slightly reduced due to the COVID-19 pandemic. At the end of FY20 the fund's audited balance totaled \$5,735,722, and will almost certainly rise to well over \$6 million at the end of FY21 following the addition of FY21's \$3,078,977 contribution and deduction of that year's capital spending.

Each fiscal year's reserve capital spending budget is comprised of an updated list of the annual projects proposed in the 2019 Reserve Study Update, including preliminary estimated costs for each project. The list is dynamic and during the course of a fiscal year projects may be added or deleted from the list as required, and projected costs may change as Management refines project details and receives contractors' bids for accomplishing specific work. As a result, in some instances final project costs will be continued on page 4



Ongoing projects funded by reserves include shutter replacement and parking lot renovations.

PHOTOS BY HARRY REEM

Activities Around the Village

Please Mask Yourself, If Advised If you will be attending any activities, please review and adhere to state and CDC-guidance on COVID-19 precautions. Verify the state's current face mask status online: <u>https://www.virginia.gov/</u> <u>coronavirus/forwardvirginia/faq/</u>.

Rejoice with an Elephant on December 10

Celebrate the season with the Book Club on Fri., Dec. 10, at 6:30 p.m. inside the Community Center. Please see the Facebook event page below to contribute food or drink to this event and do not forget to bring a wrapped book for the White Elephant Gift Exchange.

Please join us on Thurs., Jan. 27, at 6:30 p.m. at the Community Center for our book discussion of *Hamnet* by Maggie O'Farrell. Go

RESERVES

continued from page 3 less than projected in the reserve budget (e.g., FY21 slate roof replacement: budgeted at \$381,000 vs. \$261,980 actually spent); and in other cases final project costs will be more than programmed (e.g., FY21 rotten wood trim replacement: \$70,000 budgeted vs. current approved spending of \$312,335). In every fiscal year, moreover, final audited reserve spending totals will be at least slightly different than the amounts originally projected.

THE PAYOFF

Regardless of the order in which individual projects are executed, the benefit of the Association's solid and well-funded reserve program is clear — preservation of an attractive, safe, well-maintained historic community whose buildings and other structures maintain their integrity and contribute to Fairlington Villages' competitiveness back in time to learn more about William Shakespeare and the "little-known story behind Shakespeare's most enigmatic play; *Hamnet* is a luminous portrait of a marriage, at its heart the loss of a beloved child."

Please visit our "Fairlington Area Book Readers Group" Facebook page for the latest details at <u>https://www.facebook.com/</u> <u>groups/185662778799790/</u>. If you have questions, please email <u>book</u> <u>club@fairlingtonvillages.com</u>.

Avoid the Cold with the Canasta Club on Wednesday

Players of all skill levels are invited to join the weekly Fairlington Canasta Club on Wednesday from 11:30 a.m. to 2:30 p.m. in the Community Center. Canasta is a card game where players or partnerships try to meld groups of three or more cards of the same rank.

Please email Mary Ryan at <u>mxryan1024@gmail.com</u> for more details.



SHARING THIS SEASON In the spirit of the holiday season, we will collect toys for Marine Toys for Tots and canned goods for the Arlington Food Assistance Center. You will find the collection boxes outside of the Management Office

during regular office hours.

in the local real estate market. Reserve projects completed within the last decade (FY12-21) total over \$27 million. Major projects completed to date, mostly within this past decade, include balcony replacement (972 balconies), refurbishment of our main tennis courts and six pools, replacement of 231 of our 350 slate roofs and all of our 91 flat roofs, relining of our sewers, renovation of half of our 60 parking lots, construction of 71 trash concealment enclosures, shutter replacement in five of our six wards, completion of the first phase of backyard fence replacement, and completion of the first seven years of our comprehensive 14-year masonry repair program.

Over the current FY22 and the next 16 fiscal years (FY23-38) an additional projected \$36 million in reserve expenditures (2.5% annual inflation rate) will fund, among other things, completion of slate roof replacement (FY22-30) and the next cycle of flat roof replacements (FY25-36), completion of parking lot renovations (FY22-24), completion of shutter replacement (FY22), completion of backyard fence replacement (FY22-25), completion of masonry and porch repairs (FY22-28), refurbishment of our six pool houses (FY22-27), and refurbishment of our 173 apartment building hallways (FY22-27).

This future schedule will continue to be dynamic. Following completion of our next five-year Reserve Study Update in 2024 it will be updated to account for current conditions as the Association continues its efforts to fully fund its reserve accounts and maintain the integrity of its buildings and infrastructure.

— Harry Reem, Treasurer, and Carol Bell, Communications Committee

North Fairlington News December 2021 \Im



Manager's Corner

Gregory Roby, General Manager, CMCA®, PCAM®



Raking Leaves

Contracted leaf removal on the property has been completed. If you still have leaves in your yard, you must bag the leaves and take them to the curb for large/bulk trash pick up on Thursday. Throwing or raking leaves into the common area is not permitted at this time of year.

Observing Holiday Schedules

Happy holidays to our Fairlington community. Please note our seasonal schedules:

- Fri., Dec. 24, Christmas Eve: Management Office will be closed. Trash pickup.
- Sat., Dec. 25, Christmas Day: Office closed. Trash will not be picked up; please hold your trash until after 6 a.m. on Mon., Dec. 27. There is never trash pick up on Sundays.
- Fri., Dec. 31, New Year's Eve: Office closed. Trash pickup.
- Sat., Jan. 1, New Year's Day: Office closed. Trash will not be picked up; please hold your trash until after 6 a.m. on Mon., Jan. 3.

Recycling Holiday Trees in January

Capitol Services will haul holiday trees during the first two weeks in January: Tues., Jan. 4; Fri., Jan. 7; Tues., Jan. 11; and Fri., Jan. 14.

Making Winter Precipitation Preparations

Fairlington Villages has a standing plan for the inevitable snow events coming this winter. Our five vehicles used to remove snow have been serviced: two pickup trucks, a Bobcat, and two small tractors. Snow melt supplies have been stockpiled. Additional snow shovels have been purchased for the temporary labor we engage. We remain confident in our readiness to respond to the challenges that winter weather events present us.

Prioritizing Efforts for Snow and Ice Removal

Our goal is to remove snow promptly, however, we must prioritize our efforts. All factors related to a storm event are taken into consideration to determine whether snow removal begins before, during, or after precipitation ends. The types of removal activity and their timing vary depending upon the type of precipitation and the length of its duration. Our priorities, generally, are:

Clear streets so emergency vehicles can access the property.

Management Office

Location

Fairlington Villages A Condominium Association 3001 South Abingdon Street Arlington, Virginia 22206

Hours by Appointment

8:30 a.m. - 5:30 p.m. Monday through Friday 9 a.m. – 2 p.m. Saturday Closed Sundays and federal holidays

Communications

Telephone: 703-379-1440 General Info Email: office@fairlingtonvillages.com TownSq: https://app.townsq.io/login Website: www.fairlingtonvillages.com

Staff

Gregory Roby Miguel Galvez	General Manager Facilities Manager
Mark Johnson	Operations Manager
Erin Moran	Office Manager
Victoria Gomillion	Office Administrator
Marcus Reed	Office Administrator

Emergency

After Hours Emergency: 703-600-6000

Patrol Service

To contact security duty officer, call 571-215-3876. If the patrol service does not answer, the officer will receive a page. If you have not received a return call within 10 minutes, please call again.

Security hours: 8 p.m. – 4 a.m. nightly.

- Clear accessible areas of parking lots, building steps, and entrance walkways.
- Clear snow from all other sidewalks.
- During an average snowfall of 1–4 inches it takes crews three hours to clear the streets and up to eight hours to clear and / or treat parking lots, sidewalks, steps, and porches. This work may be done throughout the night and / or early morning hours.
- Sand and chemicals will be applied throughout the community as needed. Fairlington uses sodium chloride (Halite Rock Salt) to treat streets and magnesium chloride (Ice Melt) on sidewalks. Each storm requires its own unique mix of machine, chemical, and hand removal efforts.

Management's goal is to remove and/or treat the streets and pedestrian areas as quickly as possible. Your patience is appreciated, especially during heavy snows or in the event of sleet. It is our experience that heavy snowfalls require additional equipment and time for snow removal. Contingency plans include continued on page 7 The News is published by Fairlington Villages, A Condominium Association

BOARD OF DIRECTORS

President, At Large Director 703-671-7550 Terry Placek placekterry11@gmail.com Vice President, Ward VI Director Melanie Alvord mellie.ward6@comcast.net Secretary, At Large Director Anne Wasowski aw4fair@gmail.com Treasurer, Ward III Director Harold Reem 703-845-8659 hnreem@comcast.net Ward I Director Jessica Auston fvwardi@gmail.com Ward II Director Ed Stollof estollof1@gmail.com Ward IV Director Larry Straub, 703-379-1739 larrystraub93@gmail.com Ward V Director Philip J. Brown 703-637-9152

PBrownBoard@pjb3.com At Large Director 703-705-8311 Joe Torres Fairlington123@yahoo.com

COMMITTEE CHAIRS

- Activities: Mireille Pioppo and Joe Torres activities@fairlingtonvillages.com
- Architectural Control: Barbara Keyser and Sean Keyser
- variance@fairlingtonvillages.com Communications/Technology: Vacant

comm@fairlingtonvillages.com Grounds: Angela McNamara and Jim Ostroff

grounds@fairlingtonvillages.com Pools: Marya Hynes

pools@fairlingtonvillages.com Tennis: Daniel Meshel

tennis@fairlingtonvillages.com

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Join TownSq Like us on Facebook Follow @NFairlington

Comments, articles, and letters are welcome. The deadline for submissions is the 10th of each month. Please deliver or email materials to the Management Office. The editor reserves the right to edit submissions.

Board Meeting Agenda Wednesday, December 1, 2021

The following is the preliminary agenda for the Dec. 1, 2021, Board of Directors meeting at 7 p.m. Unit owners and residents of Fairlington Villages are welcome and encouraged to attend the meeting of the Board of Directors. The meeting is hosted from the Community Center with Board members and residents participating by telephone. Due to meeting size limits and social distancing guidelines, residents are discouraged from attending the meeting location personally.

- Call-In Number: 703-552-8058; Conference Code: 230349
- I. Residents' Comments (5 minute limit/household)
- II. Call to Order
- III. Establishment of Quorum
- IV. Approval of Minutes – Nov. 3, 2021
- V. **Old Business**
 - A. Rules Violation 2856 S. Buchanan Street, C-2
- VI. New Business
 - A. Workers' Compensations Insurance Renewal
 - B. Pool Contract
- VII. Reports
 - 1. Officers (President, Secretary, & Treasurer's Reports)
 - 2. Committees
 - 3. Management's Financial Report
 - Management's Project & Status Report
 - 5. Office Administrative Report
 - 6. Facilities Report
 - 7. Operations Report
- VIII. Establishment of Next Board Meeting Jan. 5, 2022
- Adjournment of Meeting IX.

Prior to each regular Board meeting, the Agenda and the Management Report are available for review electronically via email copy or by appointment at the Association's Management Office at 3001 S. Abingdon St. beginning the Thursday prior to the regular Board meeting.

Board Election for Three Seats in 2022

Three Board of Directors seats will be up for election in 2022:

- √ Ward I
- √ Ward VI
- \checkmark One At Large position.

Board elections will take place at our Annual Meeting on March 30. Members of the Board of Directors are all volunteers; the positions are not compensated.

If you are interested in running for one of these seats, the first step is to qualify by obtaining the signatures of 25 Fairlington Villages *owners* on a candidacy petition.

The Management Office can provide this form to you; the Office is open Monday through Friday from 8:30 a.m. to 5:30 p.m. and on Saturday from 9 a.m. to 2 p.m.

The specific requirements for running will be detailed in our January newsletter.

You're on the team. Keep Fairlington clean!

Drop household trash in the bin Monday through Saturday from 6 a.m. to 9 a.m. *Except Dec. 25 + Jan. 1*

Board Meeting Highlights

The Board held its regular meeting on Nov. 3, 2021. The following are highlights. **New Business** cost of Phase 7 of the Masonry total

A. Variance Request – 2925 S. Columbus St. – Remove Load Bearing Wall and Remove a Non-Load-Bearing Wall: Ms. Wasowski moved the Board approve a variance request to remove a load-bearing wall and a nonload-bearing wall, in accordance with the specifications as outlined. Passed 8-0.

B. Variance Request – 2979 S. Columbus St. – Grandfather the Installation of a Kitchen Exhaust Vent: Mr. Torres moved the Board approve a variance request to grandfather the installation of a kitchen exhaust vent on the exterior of the unit provided that the vent is painted in the standard color, in accordance with the specifications as outlined. Passed 8-0.

C. Variance Request – 2810-A S. Abingdon St. – Remove a Fireplace Vent on the Exterior of the Unit: Mr. Torres moved the Board approve a request to remove a fireplace vent on the exterior of their unit, in accordance with the specifications as outlined. Passed 8-0.

D. Towing Reimbursement – 3008 S. Columbus St., A-1: By unanimous consent and on the request of Management, this item was withdrawn from the Agenda.

E. Rotten Wood Replacement – Ward II: Mr. Stollof moved the Board approve the additional funds needed to replace the rotten wood in Ward II in the amount of \$242,335 and authorize Management to contract with Middledorf Property Services, Inc., for the replacement of rotten wood in Ward II, at a cost not to exceed \$312,335. Passed 9-0.

F. FY21 Masonry Repair Project – **Phase 7 Additional Funds:** Mr. Reem moved the Board authorize Management to sign the Change Order with American Restoration in the amount of \$7,245. The total cost of Phase 7 of the Masonry Repair Program (FY21) is as follows: Masonry Repairs (American Restoration) \$390,845; Consulting and Construction Assurance/Contract Administration (FEA) \$39,250; Total: \$430,095. Passed 9-0.

G. Staff Holiday Bonuses: Mr. Stollof moved the Board authorize \$4,750 + FICA Taxes for holiday bonuses for the Association staff to be distributed as recommended by the General Manager and approved by the President, with length of service to be a guideline. Passed 9-0.

H. Tree Pruning and Tree Removals: Mr. Reem moved the Board approve the proposal from Lancaster Landscapes for tree pruning and tree removals at a

MANAGER'S CORNER

continued from page 5 provisions to procure such equipment on short notice. Areas of parking lots that are accessible with motorized equipment will be cleared and/or treated.

Our crews do not clear occupied parking spaces or the areas around your vehicle. The Management Office maintains a limited number of snow shovels that residents may borrow if available. If you borrow a shovel, please return it to the Office as soon as you are finished with it so it can be available to the next resident.

Practicing Prevention with Winter Weather

Outside Water Faucets: Common area faucets have been shut off. If you have not already shut off your outside faucet, you should do so immediately in order to avoid potentially significant costs for repair next spring. If you do not know if you have control over a shutoff total cost of \$69,700. Passed 9-0.

I. Write-Off of Outstanding Balance to Bad Debt: Mr. Torres moved the Board authorize a write-off in the total amount of \$1,316 due on the accounts of each of the three former Unit Owners; and, Further, that Management shall submit the write-off as an Additional Adjustment request to the Association's Auditor during the conduct of the FY21 Audit. Passed 9-0.

J. Discussion of Rules Violation – 2856 S. Buchanan St., C-3: The Board reviewed an alleged rules violation and agreed on how to proceed to gather data prior to a further review at the December regular meeting.

valve, please call the Management Office.

Hoses: All hoses should be disconnected from the faucets, even if they are still in use.

Winter Absence Precautions: If you will be on travel, please remember to leave your heat on and set your thermostat at 60° Fahrenheit or higher to help prevent the pipes from freezing. Leave kitchen and bathroom cabinets open to increase warm airflow. Extension Cords: Please be cautious in your use of extension cords and power strips. Overuse overloads circuits, and they should never be covered under rugs, furnishings, or holiday presents! Space Heaters: If you use a space heater, please keep the area around it clear and free of clutter and do not use it unattended. PLEASE DO NOT USE KEROSENE OR PROPANE HEATERS INDOORS.

Sign up for email delivery of this newsletter by contacting the Management Office.

North Fairlington News Fairlington Villages, A Condominium Association 3001 South Abingdon Street Arlington, VA 22206

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North Fairlington News	
December 2021	

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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 December Board Meeting 7 p.m. Virtual Canasta Club 11:30 a.m. – 2:30 p.m.	2	3	4
5	6 Grounds Committee 7 p.m. Virtual	7	8 Canasta Club 11:30 a.m. – 2:30 p.m. Community Center	9	10 Book Club "Celebrate the Season," 6:30 p.m. Community Center	11
12	13	14	15 Canasta Club 11:30 a.m. – 2:30 p.m. Community Center	16 Architectural Control Committee 7 p.m. Virtual	17	18
19	20	21	22 Canasta Club 11:30 a.m. – 2:30 p.m. Community Center	23	24 Christmas Eve OFFICE CLOSED TRASH PICKUP	25 Christmas OFFICE CLOSED TRASH WILL NOT BE PICKED UP
26	27	28	29 Canasta Club 11:30 a.m. – 2:30 p.m. Community Center	30	31 New Year's Eve OFFICE CLOSED TRASH PICKUP	1 January OFFICE CLOSED TRASH WILL NOT BE PICKED UP
2	3	4 Recycle Your Tree Curbside	5 Board Meeting 7 p.m. Virtual Canasta Club 11:30 a.m. – 2:30 p.m. Community Center	6	7 Recycle Your Tree Curbside	8

Meetings conducted via telephone conference unless otherwise indicated. Please call the Office to confirm.