

**PALLADIAN CONDOMINIUM COUNCIL OF UNIT OWNERS
BOARD OF DIRECTORS MEETING
THE CLUB ROOM
38 MARYLAND AVENUE, ROCKVILLE, MD 20850
THURSDAY, APRIL 16, 2009, 7:00PM-9:55PM**

PRESENT:

Adam Weber President
Bob Justis Vice President
Jack Jaeger Treasurer

Victoria L. Myers General Manager
Karen Kodjanian Property Manager, Zalco Realty, Inc.

Residents Seven

ABSENT:

Michael Schwartzman Secretary
Scott Ross Member-At Large

QUORUM/CALL TO ORDER: Quorum was established at 7:00PM, at which time Mr. Weber called the Thursday, April 16, 2009 Board of Directors meeting to order. Ms. Leenan Hayden, an independent contractor, was present to record the meeting.

APPROVAL OF AGENDA:

- ❖ ***MOTION: Mr. Weber moved and Mr. Jaeger seconded to approve the Agenda submitted for the Thursday, April 16, 2009 meeting of the Board of Directors. MOTION PASSED: Unanimously (3-0)***

APPROVAL OF MINUTES:

- ❖ ***MOTION: Mr. Weber moved and Mr. Jaeger seconded to approve the amended version of the minutes of the Monday, March 9, 2009 minutes of the Board of Directors meeting as amended. MOTION PASSED: (2-0-1) In Favor: Mr. Weber, Mr. Jaeger
Opposed: None
Abstained: Mr. Justis***

PRESIDENT'S REPORT: Mr. Weber reported the following:

- The new 'Round Rockville Shuttle service began this week.
- A ribbon cutting will take place Saturday May 18, 2009, at 12:00PM in Town Square and will feature the unveiling of a bus and an address by Mayor Hoffman.
- The Town Center Action Team will hold a Town Center Summit on Tuesday, April 21, 2009 from 7:00PM-9:00PM in the second floor exhibit hall. The topic will focus on the successes and prospects of Town Square development and how to facilitate and encourage improvements in the short and long term.
- City of Rockville First Friday's Deck Party will begin on Friday, May 1, 2009, from 5:00PM-8:00PM, at the VisArts Center. Other parties will be held on the first Friday in June, August and September. Admission is free.
- Concert in the Square begins Thursday, May 7, 2009, 6:00PM-8:00PM and will continue on Thursday's through mid-September.
- Superfresh was not granted a liquor license by the state. The status of the opening date is still unknown. Ms. Robin McBride, the FRIT VP and COO of the mid-Atlantic region thinks the store may open by the end of 2009.

DEVELOPER'S REPORT: Mr. Jaeger reported that 81 units are sold and the remainder is leased except for six.

COMMITTEE REPORTS:

Building Maintenance Committee (BMC): Cheri Justis, Committee Chair. The BMC met Tuesday, March 31, 2009 at 8:30PM in the Club Room. The written BMC Report was submitted and information from this report was included within these Minutes.

- Schedules are being coordinated with Ms. Myers and the associated contractors for the following projects in the following order: camera installation; marble floor restoration; painting of hallways and lobbies; decorating. Furniture will be in the second week of May 2009. The wallpaper will be installed the 3rd week of May 2009 (tentative).
 - **ACTION: Painting proposals are being reviewed by BMC and will be emailed to the Board with recommendations. A spreadsheet with comparisons of the proposals will also be supplied to the Board.**
 - **ACTION: Ms. Myers will make sure the scuffed baseboards are touched up.**
 - **ACTION: Ms. Myers will speak to Mr. Steve Burton regarding missing grout areas in the elevators.**
- There was a discussion regarding how to properly handle Task List (Action Items), what should be tasked and what has been completed. It was suggested that the BMC include the Task List status in a section of their monthly report.
- The BMC is awaiting the Engineering Transition Study Proposals.
 - **ACTION: The BMC will be added to the distribution list of all related information and emails.**
- The Club Room Fireplace replacement options are being researched. One option being considered is a gas fireplace with glass covering. The BMC will make recommendations at the next meeting. Zalco will pay the value of the current model and the BM will request approval from the BOD for any overage in cost. Fire code concerns regarding a gas fireplace were discussed.
 - **ACTION: Mr. Jaeger will contact Mr. Ben Stonestreet regarding a gas fireplace installation previous discussion and report back to the BOD.**
- The Club Room pool cues are damaged again.
 - **ACTION: The BMC would like an update on when the TV and the electronic equipment will be installed, including the cabinet door replacement/repair by the developer which was damaged by a developer employee.**
- Ms. Myers met with Austin Grill, Gordon Biersch and FRIT Thursday, April 9, 2009, to discuss issues and will include moving the cigarette disposal and smokers away from Palladian entrance. BMC will pursue this issue with the City as well. BMC is requesting the cigarette disposal be moved across the via from the 34 Maryland Avenue Palladian entrance; Mrs. Myers noted that this was completed.
- There is a missing slat of siding on the back of the building; it is believed to be the City's responsibility.
- The following BMC member changes were approved:
 - ❖ **MOTION: Mr. Justis moved and Mr. Jaeger seconded to add Mr. Tim Telling (Unit 225) to the BMC membership. MOTION PASSED: Unanimously (3-0-0)**

Policy/Rules Committee (PRC): Sondra Block, Committee Chair. Nothing to report at this time.

Safety and Security Committee (SSC): Larry Nissenbaum, Committee Chair, provided a written report to the Management. The following issues were discussed:

- The City received a request to upgrade a security/suicide fence on top floor of the public garage to keep people from throwing objects.
 - **ACTION: Ms. Myers will pursue the installation of a normal fence and not an upgraded fence which the City should pay for.**
- There was a discussion regarding the allocation of “Guest Parking Spaces” in Garage #4 as related to security issues. The Bylaws need to be consulted.
 - **ACTION: Mr. Jaeger will talk to Mr. Ross about available nested parking spaces for guests then, if they are available for Palladian resident use, the PRC and Ms. Myers will set up procedures for allocating the “Guest Spaces.”**
- Palladian fobs can be used in the Fenestra fitness center and liability issues were brought up. It is the SSC understanding that Palladian fobs are only to be used to enter the building and Garage #4. It is the responsibility of Fenestra leasing management to properly engage the fobs for only the main entrance and pool area. Ms. Myers will work with Fenestra leasing on this issue. .
- The SSC would like feedback on safety and security issues discussed at the Master HOA meeting. The Board suggested that the SSC schedule a monthly meeting with the General Manager to get Master HOA updates. Ms. Myers has been including a summary of the meetings she has been able to attend in her Management Report which can be found in her office for review. The minutes of the Master HOA meeting can be posted on the website if approved by the Master HOA. There was a discussion regarding sharing the Palladian Management Report and the first five pages of the report can be made open to the residents. Two issues the BOD would like feedback on from the Master Association are a “No Skateboarding” sign and submitted crash bar installation bids exiting the double back doors in 38 Maryland Avenue.
 - **ACTION: Ms. Myers will meet with the PRC once a month to report on what was addressed at the monthly Master HOA meeting (if she is able to attend).**
 - **ACTION: Ms. Myers will post the first five pages of the monthly Management Report on the website.**
- The new vista compatible platform security cameras are installed and the security company will be sending G.E., the first of the week, to give instructions on use of equipment and downloading the software.
- The three security construction projects have been completed.
- The recent intruder in the building was discussed at length. A person called up to the Sales Office requesting to visit and never showed up. Neighbors are also letting tailgaters in to the building and need to be more aware of the dangers of doing this.
 - **ACTION: Ms. Myers will post suggestions on how to handle strangers coming into the building in the newsletter.**
- The SSC is reviewing bids to replace Sonitrol access control and telephone entrance to the building and will make recommendations at the May 2009 BOD meeting.
- Mr. Matt Shanks, the Rockville Fire Marshall, will be present at the May 2009 BOD meeting, anyone with questions should submit them to management for him to address.

Social Committee (SC): Linda Gombos, Committee Chair was not present. Ms. Diane Herndon spoke on the SC behalf requesting that the BOD approve purchase of a convention oven and an electric grill to be used for SC functions. The SC budget was discussed and the BOD agreed that as the SC has events they will be reimbursed using petty cash provided they have a receipt.

- **ACTION: The purchase of an electric grill should be added to the list of questions for the Fire Marshall.**
- **ACTION: Management should contact the insurance company regarding the purchase of the electric grill to see if this will require additional insurance for the building.**
- **ACTION: The Board agreed to authorize the purchase of a convection oven for SC events, to be taken out of the SC budget and for exclusive use at SC functions only. The Board agreed to authorize the purchase of an electric grill, contingent upon positive feedback from the Fire Marshall and insurance company. The total cost of both items to be no more than \$500 to be disbursed through petty cash.**

There was also a suggestion that the old lobby furniture be sold and made into a social event via an auction and residents could also contribute unwanted possessions to the auction. The sold furniture would be released to the purchasers when the new furniture arrives. No decisions were made and the issue was tabled and will be discussed at the May 2009 meeting.

Ad Hoc DirecTV Committee (DTVC): Mr. Jim Haser, Committee Chair, reported a letter was sent to MDU and he is awaiting a response.

TREASURER'S REPORT: Mr. Jaeger reported that the March 2009 financials are not available and will be reviewed at the May 2009 meeting. There was a discussion regarding the Association's investment strategy. Suggestions were:

- Invest the Capital Reserves at the highest rate.
- Invest less than ½ in the Operating Reserves at a fixed high rate account with a no penalty for withdrawal.
- Possible CD's to invest in could be 18 months at 3%, 13 months at 2.55% and 12 months at 2%.
- Transfer \$129,000 in the ING (Reserve Account) to the John Marshall Bank as an Operating Reserve.
- The Reserve Account (ING) must be separate from the Operating Account (Wachovia).
- A consistent investment procedure should be established to follow from now on.
- Checks should never be written from the ING Account or, Reserve Account, as it is an internet account. Checks can be written from the Wachovia Account or, Operating Account, where all of the bills are paid from.
- Increments in the amount of \$25,000 could be transferred into the Wachovia Account for the purpose of purchasing , perhaps 12 month CD's, at the best rate possible.
- Since the FDIC insurable limit of \$250,000 expires at the end of 2009, money will eventually, have to be moved.
- Zalco will purchase CD's as directed by the Board.

- **ACTION: Mr. Weber and Ms. Kodjanian will discuss investment strategy details.**

❖ ***MOTION: Mr. Weber moved and Mr. Justis seconded to authorize the President and the Treasurer of the Palladian Condominium Association to ladder the Operating Account and Capital Reserves Account and as the accounts grow, to invest the accounts at the highest possible rates. MOTION PASSED: Unanimously (3-0-0)***

COMMUNITY MANAGER'S REPORT: Ms. Karen Kodjanian reported that as of April 10, 2009, nine units are delinquent and they are being pursued through collections and legal.

- **Fire Watch Reimbursement Status:** Two letters were discussed; a letter to Mr. David Levy, Rockville City Hall, dated 2/27/09, from Ms. Myers, requesting that the City reimburse the Palladian the staff

expenses incurred as a result of the public garage fire equipment malfunction on 1/17/09, and the response generated by Mr. Noel Gonzalez, Facilities and Maintenance Specialist, Dept. of Recreation and Parks, City of Rockville, dated 3/18/09 denying the reimbursement. (Both letters can be found within the Management Report, along with the Non-Emergency Security Contact Information Sheet.)

- **ACTION: Ms. Myers will post the non-emergency security contact information on the website.**

Master HOA Meeting, March 11, 2009: There was a very lengthy discussion regarding notification of the Master HOA meetings, who may attend, and holding regular Block Association meetings. Ms. Kodjanian explained that Mr. Ross represents to Palladian at the Master Association meetings. The Master is a body of people who convene and they are not an elected BOD, therefore it is not required to provide notice or invite any of the entities or to allow anyone outside of those who are attending, as long as there is already representation from each Block.

The Master Association is a separate association which holds meetings every second Wednesday of the month. The RTS Block 5 Condominium Association (“Block 5 HOA”) is a separate association which should be holding an open BOD meeting and this has not been to date.

There were numerous concerns as to how the Master Association can address the Palladian’s interests if no one is present at their meetings. A letter should be drafted to Block 5 HOA representatives (Ross, Levy, McBride) demanding that Block 5 HOA meet to address issues as the Palladian residents would like to attend and be notified of Block 5 HOA BOD meetings. Mr. Jaeger suggested that the Block 5 HOA hold meetings immediately preceding the Palladian Condo meetings.

The Palladian is paying their share of Condo Fees according to the Block 5 HOA Governing Documents. When owners moved in, they were never supplied with the Block 5 HOA Documents. They only received the Palladian and RTS HOA Docs. The Block 5 HOA Governing Docs require residents to contribute their proportionate share to the operation and facilities of Rockville Town Square. Block 5 HOA consists of various retail merchants (FRIT), RTS residential units (Palladian), public parking and common areas of Block 5 (City of Rockville).

Ms. Kodjanian met last Friday with an RTS HOA BOD member and a non-Board member. She informed them that they need to have meetings and to invite all of the entities (Palladian and Fenestra) and why. They now understand their obligations and are going to schedule a meeting. The RTS HOA BOD consists of three CIM members. CIM is the controlling entity of the other Blocks. The RTS HOA has is responsible for the Pool and Concierge.

- **ACTION: Ms. Kodjanian will email Mr. David Levy, Ms. Robin McBride and Mr. Scott Ross and request that the RTS Block 5 HOA BOD hold a meeting and invite Palladian residents to attend. This is a separate meeting from the Master Association meeting. It could be held at 6:30PM, before the regular meeting of the Palladian BOD meeting in the Palladian Club Room.**
- **ACTION: Ms. Kodjanian will send the Block 5 Condo Docs and Budget to Me. Weber.**
- **ACTION: Ms. Kodjanian will schedule the RTS HOA meeting for each month. Notice will be made to unit owners. The meeting might be held at the Palladian Club Room.**
- **Cleaning Contract:** Ms. Kodjanian and Ms. Myers are reviewing proposals, modifying the scope and will come back to the Board with recommendations to switch companies at the next meeting.
- **Utilities:** The Association has received income in the amount of \$9,651 that has not been billed for by Midway to its residents. There is also an amount of \$8,317 in checks that they claim they have paid the Association but they haven’t been received. Ms. Kodjanian requested they research the checks and she is awaiting a response. There are also 63 utility late fees outstanding at a total amount of \$4,244.40. Letters of collection have been drafted and will be sent out to those owners. If the late fees are not made current after 30 days, the amount will be attached to their account as a delinquent account. The Association received the first check from Studebakers. They have agreed to the \$6.00 plus postage per month to be

billed to each resident and will make the correction to be reflected in the next billing cycle. Late fees will be charged for not paying on time.

- **Engineering Study:** Proposals were received using the modified scope of work for the Engineering study and are included in the Management Report for the Board to review and consider. The next step in the process is that the Board set up meetings with the three vendors so they can make thirty minute presentations. The BMC should also review the proposals for feedback and possibly be present or have a representative present at the vendor presentations. Usually Management and the Board perform the interview process. There are three developer Board members and that is why the BMC requests having members present at the interview. There was an extremely lengthy discussion regarding the interview process being open to everyone when this is one of the tasks a Board performs. Pros and cons were raised. The issues were tabled for further research. After a decision is made a date for the vendor presentations will be scheduled.
 - **ACTION: Mr. Jaeger will contact Mr. Ross and Mr. Schwartzman for feedback regarding the Engineering Transition Study interview choosing process.**
- **Annual Inspection:** The annual inspection was conducted by Zalco Engineering and a copy is enclosed in the management Report for review.

GENERAL MANAGER'S REPORT: Ms. Vicki Myers provided the Board with a written monthly report; information from the report is included within these minutes. Due to the length of the meeting Ms. Myers could only review some of the items in her report.

- **Tenn Security:** Maintenance monitored the contractor in the building during the CCTV installation.
- **Elevators:** An inspection from Kone found that an elevator repair, which took place shortly after an elevator inspection, was related to fire safety and not mechanical issues.
- **Painting:** Rodney has been painting the walls with the new eggshell finish. He has caulked baseboards, repaired a badly separated column on the 5th floor and is currently working on a priority list developed during an inspection with Mr. Weber. Light bulbs have been changed and Rodney has been touring the building with Danny to learn and record emergency information that would be necessary in Danny's absence.
- **Club Room:** Maintenance has repaired the club room cabinet, door hinges, damaged sofa, and Ms. Myers recommends that the other sofas be reinforced to prevent more damage. There were no Club Room reservations in March.
- **Building Inspection:** Mr. Weber, Danny, Rodney and Ms. Myers performed a building inspection on Friday, 4/3/09, to determine the condition of the corridors, vis-à-vis paint and repair of the walls, trim (not ceilings). Mr. Weber requested that a list of the most seriously damaged areas be addressed as a priority and Management is in the process of addressing the items
- **Meetings:** Ms. Myers and Danny met with Mr. Noel Gonzalez and Rocio Estrada to discuss phone bills, fencing at public garage, maintenance of stairwells Palladian shares with the City, status of city projects. The City elevator lobbies are getting painted.
- **Fireplace:** Management has been working with Acme Woodstoves for a comparable replacement insert. He recommended that the Board consider a gas fireplace because they are reliable and last longer than the electric type. Refer to BMC report section of the Minutes above for additional information.
- **Club Room TV:** Source One provided proposals which can be found in the management Report.

- ❖ **MOTION:** *Mr. Jaeger moved and Mr. Justis seconded to authorize that Ms. Myers choose the best possible television to fill in the existing space. MOTION PASSED: Unanimously (3-0-0)*
- **Marble Floors:** Stuart Dean has completed marble restoration on floors 2,3,4,5 and 6. Ms. Myers is recommending that the Board consider signing the contract for their ongoing maintenance. The rest of the floors should be finished by tomorrow. There are other concerns that need to be addressed with Mr. Burton. The floor maintenance for main elevator lobbies, the building entrance lobby, elevator interior and Austin Grill could be done quarterly and the other done every six months. After a discussion, the Board agreed to wait for three months and determine which areas required maintenance
 - **ACTION:** Ms. Myers will have Mr. Burton modify the maintenance proposal based on the conversation with the people who did the floors.
- **Pool:** Management has been working with U.S. Aquatics to prepare the pool for the 2009 season. Pool information sheets were distributed 2 weeks ago and 35 forms have been turned in.
- **Meeting with Block 5 Restaurant Managers and FRIT Property Manager:** Various ongoing concerns were addressed at the meeting held Thursday, 4/9/09. The Managers assured Ms. Myers that they would make every effort to cooperate with the residents. For instance: noise, smoke, odors, ashtray being permanently chained to Austin Grill door, not blocking access to loading dock, late night deliveries would cease, Palladian will purchase a “No Smoking” sign at the Austin Grill entrance, the sidewalk dining area encroaching on pedestrians to freely walk the sidewalks, etc.
- **Signs:** No Trespass, skateboarding, etc. signs were ordered for the loading dock and will be up tomorrow.

NEW BUSINESS: Four agenda items (A-D) under New Business were previously addressed during the meeting and can be found throughout these minutes.

- ❖ **MOTION:** *Mr. Weber moved and Mr. Jaeger seconded to add Mr. Mark Stunkard to the membership of the Social Committee. MOTION PASSED: Unanimously (3-0-0)*

OLD BUSINESS: Nine agenda items (A-I) under Old Business were previously addressed during the meeting and can be found throughout these minutes.

- **Lobby Decoration Status:** Items ordered should be in house by the end of May 2009 and Zalco will have a C.O.D. check ready for Ms. Myers.
- **Fire Alarm Decibel Level:** The Board would like the fire alarm turned down provided they decibel level still meets City, County, State or other fire codes.
 - **ACTION:** Larry will ask Dave White if this is possible. The question to lower the fire alarm decibel level is to be added to the concerns to be addressed at the meeting with the Fire Marshall.

OPEN FORUM: The following issues were recognized and discussed by the Board:

- Positive feedback to the marble floors.
- Address the hole in the public lobby.
- Management Office location concerns were discussed.
 - **ACTION:** Mr. Jaeger will ask Mr. Ross to investigate space in Block 4 as a possible future location of the Management Office.
- Ask Stuart Dean as to the proper way to maintain the common area public lobby. They had offered to give a demonstration and the Board will request this at the RTS Block 5 HOA meeting.

- Many tiles in the lobby need replaced and perhaps FRIT could share the cost.
- Sonitrol is not working properly and it was suggested that a new vendor be pursued. The SSC is in the process of investigating other companies.

NEXT MEETING: Monday, May 11, 2009, at 7:00PM in the Club Room.

ADJOURNMENT:

❖ *MOTION: There being no other business, Mr. Jaeger moved and Mr. Weber seconded to adjourn the Thursday, April 16, 2009 meeting of the Palladian Condominium Council of Unit Owners Board of Directors at 9:55PM. MOTION PASSED: Unanimously (3-0)*

These Minutes are Respectfully Submitted by,
Leenan Hayden - Recording Secretary

APPROVED & ATTESTED TO BY: _____ **DA TE** _____
Adam Weber, President