

**PALLADIAN CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
THE CLUB ROOM  
38 MARYLAND AVENUE, ROCKVILLE, MD 20850  
MONDAY, FEBRUARY 9, 2009, 7:10PM-9:40PM**

**PRESENT:**

Adam Weber                      President  
Bob Justis                        Vice President (via telephone)  
Jack Jaeger                        Treasurer

Victoria L. Myers                General Manager  
Karen Kodjanian                Property Manager, Zalco Realty, Inc.  
Ed Beccles                        Complete Building Services  
Nancy Auman                     Designer, In Your Own Style

Residents                         Eleven

**ABSENT:**

Michael Schwartzman        Secretary  
Scott Ross                        Member-At Large

**QUORUM/CALL TO ORDER:** Quorum was established at 7:10PM, at which time Mr. Weber called the Monday, February 9, 2009 Board of Directors meeting to order. Ms. Leenan Hayden, an independent contractor, was present to record the meeting.

**APPROVAL OF AGENDA:** Agreed upon as is.

**APPROVAL OF MINUTES:**

- ❖ ***MOTION: Mr. Jaeger moved and Mr. Justis seconded to approve the minutes of the December 15, 2008 minutes of the Board of Directors meeting as amended. MOTION PASSED: Unanimously (3-0)***
- ❖ ***MOTION: Mr. Jaeger moved and Mr. Justis seconded to approve the minute of the January 12, 2009 minutes of the Board of Directors meeting as amended. MOTION PASSED: Unanimously (3-0)***
  - **ACTION: The November 2008 minutes will be supplied to the Board by the end of the week.**

**PRESENTATION BY NANCY AUMAN, DESIGNER, IN YOUR OWN STYLE:** Ms. Auman presented two decorating options for the main lobby, the six (6) double elevator lobbies, and the north via lobby. The two styles displayed, to be voted on, were **Option #1 – Metropolitan Style** and **Option #2 – Asian Style**. Before any decorating can begin the following should be completed;

- **ACTION: cameras installed**
- **ACTION: paneling downstairs fixed**
- **ACTION: painting of the walls completed**
- **ACTION: wallpaper installed**
- **ACTION: marble treatment completed**

Once the designs are signed off on it will take about eight weeks for the furniture to arrive, an installation timeline will be supplied to Management, Building & Maintenance Committee and the Security Committee. The fixtures and most of the furniture will be locked in so they cannot be stolen. There was a suggestion to start by decorating one area but it is less expensive to decorate all areas in the same timeline. This is the second BOD meeting where the decoration project has been discussed, there were also two Building Maintenance Committee meetings held where the re-decoration was discussed and residents were offered a chance to voice their opinions.

- **ACTION: Mr. Schwartzman emailed a request to make sure before and after photos of the decoration project areas are documented and filed.**

○ **ACTION: Mr. Weber requested an itemized cost list of the project.**

Previously, the project was approved and budgeted at a beginning cost of \$5,000 (Main Lobby). The scope of work has been broadened to approximately \$20,000-\$23,000 (Main Lobby, Via Lobby, six Elevator Lobbies). The funds are currently in the operating account. In the past, many residents were not happy with the current décor. The decoration project would improve the value of the Palladian and bring the lobbies up to the level of the Fenestra Apartments across the street in Rockville Town Square. The BMC had two meetings for residents to review the designs and due to an overwhelming consensus; the BMC is recommending approval of design Option #2 – Asian Style.

Mr. Weber called for a polling of hands from owners present on their style option preference. Eleven (11) owners were in favor of Option #2, two (2) were in favor of Option #1, and no one (0) was in favor of keeping the current décor. Consensus of all the owners present felt the decoration project needs to be done. **Option #2 – Asian Style – was agreed upon.**

- ❖ **MOTION: Mr. Weber moved and Mr. Jaeger seconded to approve the Option #2 – Asian Style decorating proposal submitted by IN YOUR OWN STYLE to decorate the main lobby, the north via lobby and the six (6) elevator lobbies at a cost not to exceed twenty three thousand, three hundred eighty dollars (\$23,380.00) PASSED UNANIMOUSLY (3-0)**

**PRESENTATION BY ED BECCLES, COMPLETE BUILDING SERVICES (CBS):** Ed Beccles presented Complete Building Services visions for the Palladian's consideration. Some areas of responsibilities include;

- Security services: includes two uniformed guards with hours Mon-Thurs 6-11PM, Fri and Sat 6-2AM Sun 6-10PM; patrol areas to detect and deter; guards are non confrontational and work with 5 Rockville Police Officers assigned to the area; Mr. Beccles will supply security information/procedures to management for the newsletter; the lobby is only indoor area guards enter; no direct dealings with PMI or the garages.
- Porter services for downstairs lobby area that faces Maryland Avenue.
- Landscaping.
- Maintaining general grounds, will work with the Palladian's maintenance schedule.
- Maintain trash cans in the square, fountains and pool.
- Residents should alert Mr. Beccles of any concerns and he will forward them to the correct people to address.
- Mr. Beccles will also research the doggy station maintenance responsibility.
- Mr. Beccles will be onsite daily from 7Am-4PM (5PM) and an office is being constructed for him near the North Washington garage next to Gold's Gym.

**PRESIDENT'S REPORT:** Mr. Weber thanked all the committees for their hard work and reported on the following meetings, which he will also post the website:

- The Mayor will present a State of the City Address on Wednesday, February 11, 2009, 7-9PM, in the first floor conference room of the Rockville Library.
- There will be a Rockville Town Hall Meeting on Thursday, February 12, 2009, 8:00PM, in City Hall. Should anyone attend this meeting, it would be appreciated if they take notes and report back to the Board.
- The Western Montgomery County Citizen's Advisory Board is holding a Rockville Forum on Tuesday, February 17, 2009, 7-9PM, in the Council Office Building.

**DEVELOPER'S REPORT:** Mr. Schwartzman was not present. There are currently four units vacant.

**COMMITTEE REPORTS:**

**Building Maintenance Committee (BMC):** Cheri Justis, Committee Chair. The BMC met last Thursday, January 29, 2009 at 8:30PM in the Club Room. The written BMC Report was submitted and has become an attachment to these Minutes.

- ❖ **MOTION:** *Mr. Weber moved and Mr. Justis seconded to approve the following Building Maintenance Committee Member changes to remove Rick Fine and James Aricore and add to the Building Maintenance Committee Linda Nissenbaum. MOTION PASSED: Unanimously (3-0)*
- **Marble Maintenance and Restoration:** Proposals were submitted by CMR Alliance, Rose Restoration Company, Ltd. and Stuart Dean. The Committee is recommending approval of the Marble Maintenance and Restoration Proposal submitted by Stuart Dean. Stuart Dean is also providing a yearly maintenance contract based on the number of visits they make. Restoration includes stripping off the wax and sealing the marble and maintenance includes cleaning with a damp mop dedicated to cleaning the marble only and buffing. The restoration proposal price was approximately \$15K, the maintenance proposal was also approximately \$15K on an annual basis. The Board decided to act on the restoration part of the Dean proposal and postpone a decision on the maintenance part and renegotiate for a better cost.
  - **ACTION:** The Board directed Management to inform whoever will be cleaning the marble to use a **DEDICATED MARBLE CLEANING MOP with WATER ONLY.**
  - **ACTION:** The Board directed that the maintenance part of the proposal submitted by Stuart Dean be renegotiated for a more reasonable price.
  - **ACTION:** The Board directed Ms. Justis, Mr. Nissenbaum and Ms. Myers to coordinate the various project schedules (decorating, marble, security cameras, etc).
- ❖ **MOTION:** *Mr. Jaeger moved and Mr. Justis seconded to approve the Marble Restoration part of the proposal submitted by STUART DEAN. MOTION PASSED: Unanimously (3-0)*
- **Club Room Fireplace Replacement:** Offenbacher's can replace the fireplace for an amount of approximately \$350 and Zalco is covering the expense.
- **Food Odors and Smoking Issues:**
  - **ACTION:** The Board directed Management to investigate the status of roof top vent modifications, the frequency of restaurant vent cleaning, and contact Austin Grill to have employees cross the via to smoke and move cigarette receptacles away from the entrance of 34 Maryland Avenue.
- **Engineering Transition Study:** The BMC received the RFP for review on February 2, 2009 and will work with Management on the study.
- **Painting:** There was a discussion regarding the various cracks throughout the building which need repair and fresh paint. The Building Maintenance Committee recommends that the job be performed by a professional painting company.
  - **ACTION:** The Board directed Management to locate the areas to be repaired and painted and obtain three (3) proposals to do the work.
- **Janitorial Services:** On February 3, 2009, the BMC and Ms. Myers walked the building to review the cleaning and it was determined that Beltway wasn't performing up to minimum standards, the BMC recommends that we change janitorial service providers.
  - **ACTION:** Management will obtain proposals from other cleaning companies and attempt to retain Walter when the new contract is awarded.

**Policy/Rules Committee (PRC):** Sondra Block, Committee Chair. Mr. Weber reported that Sondra emailed him that she is in the process of working on the directives from the last meeting. The PRC will meet on February 16, 2009.

**Safety and Security Committee (SSC):** Larry Nissenbaum, Committee Chair, provided a written report to the Board and made the following comments:

- **Sonitrol:** The SSC expressed their dissatisfaction with the poor service supplied by Sonitrol. It was suggested that since the Fenestra is experiencing similar problems and that Ms. Myers consider contacting the Fenestra Management and coordinate a contract with better pricing. Management noted that cameras and access control is best handled under the same contractor which is also at a cost savings. Management recommends Tenn Security, Inc. be obtained to handle the Palladian security cameras and service.

There was a discussion regarding a recent incident where a group of people were in the Club Room smoking and left the plastic cups with butts in them and the room was a mess. There should be no smoking in common areas. Walter took photos of the evidence and emailed the photos to Ms. Myers. Ms. Myers was recognized by the Board for her hard work.

- **ACTION: The Board directed Management to obtain two (2) more bids from security companies to provide security services/monitor the building.**
- ❖ **MOTION: Mr. Jaeger moved and Mr. Justis seconded to approved the proposal submitted by TENN SECURITY, INC. to install a surveillance system including fifteen (15) cameras at a cost of twenty nine thousand five hundred fifty dollars (\$29,550). MOTION PASSED: Unanimously (3-0)**
- **Security Areas of Concern:** The SSC and the Rockville Police performed a building walk through and have found areas of security concern; lights needed at residential garage doors, plexiglass gates at Block 5 lobby hallway and Block 5 residential garage gates, parking garage screens installed to separate public and private parking, block off open areas surrounding Block 5 stairwell door access point to prevent people from accessing area without a passkey, and the Block 5 garage residential area (surrounding door) which is next to the two garage doors where the new office is. Three proposals were submitted. Management is recommending the approval of the proposal submitted by Stonestreet Contracting, Inc.
  - **ACTION: The Board directed Management to contact Stonestreet Construction, Inc. and renegotiate the cost of the contract not to exceed twelve thousand seven hundred dollars (\$12,700).**
  - ❖ **MOTION: Mr. Weber moved and Mr. Justis seconded to approve the proposal submitted by STONESTREET CONSTRUCTION, INC. for security alterations, excluding the installation of lights in the garage, and contingent upon the contract cost not to exceed an amount of twelve thousand seven hundred dollars (\$12,700). MOTIONS PASSED: Unanimously (3-0)**
- **Crash Bar at the Loading Dock:** The Fire Marshall has no objections regarding the installation of a crash bar on the rear double doors exiting 38 Maryland Ave. He required that a licensed electrician be used any permits be obtained.
  - **ACTION: Ms. Kodjanian will bring the Board's request for the installation of a crash bar on the rear double doors exiting 38 Maryland Avenue before the Master Association HOA.**

**Social Committee (SC):** Linda Gombos, Committee Chair, submitted a written report with a calendar of social events. The SC met on January 25, 2009, at 7:30PM in the Club Room.

- ❖ **MOTION: Mr. Weber moved and Mr. Jaeger seconded to add Christine Koh to the Social Committee membership. MOTION PASSED: Unanimously (3-0)**
- **Happy Hour at the Austin Grill, Wednesdays, March 25, 2009, 8:00PM:** Diane Herndon is the SC sponsor. The Board is not in favor of sponsoring alcoholic beverages per legal advice. Free food coupons are agreeable. The cost would be approximately \$200-\$300 and the money is in the budget. It should be publicized well in advance. **The Board agreed to the happy hour with free food.**

**TREASURER'S REPORT:** Mr. Jack Jaeger reported that as of 12/31/2008 \$561,000 is in operating cash and reserves accounts. The Association is in good shape, condo dues are being collected and bills are being paid.

**COMMUNITY MANAGER'S REPORT:** Ms. Karen Kodjanian submitted a written monthly report to the Board, which has become an attachment of these minutes and can be reviewed in the General Manager's Office. The ING Direct Account was opened and funded. The current designated signators are the Board President and the Board Treasurer. Zalco does not manage or make any transactions with ING Direct. Zalco will transfer money from Reserves. The Board is responsible for directing the purchase of CD's, withdrawals, and informing Zalco of these transactions so they can be included in the monthly Financial Report.

- **ACTION: The Board directed Ms. Kodjanian to supply the Board with the Wachovia/ING statements along with the monthly Financial Statements.**
- **Utilities:** Midway Services has been given notice of cancellation as a matter of procedure and their contract is up February 22, 2009. Submetering proposals have been submitted from National Exemption Services, Inc. (NES) and Studabakers Submetering. Management is recommending the approval of the proposal submitted by Studabakers. Studabakers has better service and charges \$6.00 plus postage per unit per month, they accept on line payments, they do not take a cut as Midway did, and payments are due 21 days from billing date with reimbursement to the Palladian within two weeks, they cover all collection fees. Midway is being audited by Zalco to see if they owe money to the Palladian. Many residents have not paid late fees and legal actions will be taken to collect.
  - **ACTION: The Board directed Management to make the audit of Midway a high priority.**
- ❖ **MOTION: Mr. Jaeger moved and Mr. Justis seconded to approval the submetering proposal submitted by STUDABAKERS SUBMETERING. MOTION PASSED: Unanimously (3-0)**
- **Building Inspection:** A full building inspection was conducted on January 15, 2009 with Danny and the Zalco Engineering Team. The results with recommendations will be included in next month's Management Report.
- **Approval of Unit #503 Application for Kitchen Modifications:**
- ❖ **MOTION: Mr. Jaeger moved and Mr. Weber seconded to approve the application submitted by the owner of Unit #503 to proceed with kitchen modifications. MOTION PASSED: Unanimously(3-0)**
- **Garage Sprinklers:** On Sunday, January 17, 2009, fire alarms sounded. Danny Cahill received a call from the Fire Department and they found that sprinkler lines in the public portion of the parking garage were cracked due to freezing temperatures, causing the alarm to sound. This was in the nested portion of the garage. Danny and Rodney were put on Fire Watch which lasted 18 hours. Castle Sprinkler and Alarm repaired the pipes on Monday, January 18, 2009. Management is requesting direction from the Board regarding reimbursement from the City for the staff's time for being on Fire Watch and having to walk the garage which is the City's responsibility.
  - **ACTION: The Board directed Management to bill the City for time spent on a Fire Watch by Palladian employees on January 17, 2009, which was a City responsibility.**
- **Full Maintenance Schedule:** The Building Engineers have suggested ideas as to when maintenance issues should be addressed and would like to work with Management to put together a full maintenance schedule to follow.

**GENERAL MANAGER'S REPORT:** Ms. Vicki Myers provided the Board with a written monthly report which has become an attachment of these minutes.

- **Fire Sprinkler System:** In addition to the repairs to the previously mentioned cracked sprinklers, Castle Sprinkler and Alarm also recommended that periodic service, whereby the pipes are drained to ensure no water, or vapor, is in the pipes. Danny regularly services the system.
- **Residential Sewer Back Up:** On Friday, February 2, 2009, Maintenance discovered the residential sewer backed up. This is the third time in the past six weeks. Plastic grocery bags were found stuck in the drain. Management has included a warning about this practice in the bi-weekly newsletter.
- **Elevator Inspection:** The State Inspections were conducted and certificates are forthcoming, dependent upon the fourth floor elevator smoke detector work to be done.
- ❖ **MOTION:** *Mr. Jaeger moved and Mr. Justis seconded to approve the proposal submitted by CASTLE SPRINKLER AND ALARM to fix the fourth floor elevator smoke alarm at a cost of one thousand one hundred sixty nine dollars (\$1169.00). This is not a budgeted project. MOTION PASSED: Unanimously (3-0)*
- **Austin Grill Circuit Board Replacement:** FRIT has placed Austin Grill on notice that a circuit board must be replaced. The Palladian is constantly receiving alerts from Sonitrol.
- **Fourth Floor Roof AAON Units and HVAC Units:** These units control the Club and Fitness Room and they have been serviced.
- **Sixth Floor Roof Door:** The door was painted and weather stripping was installed.
- **Building Utility Doors:** All of the utility doors have been painted.
- **Speed Limit Signs:** Signs have been stenciled on garage pillars.
- **Slop Sink:** RFP's are being requested to install a slop sink tub for maintenance to use to clean paint brushes, etc.
- **Grout Odor in Outer Lobby:** It has been noticed that the grout smells when it get wet. Mr. Beccles suggested that deodorizers be put on the concrete.
- **Third Floor Trash Chute:** Repaired.
- **Club Room Rental Report:** Three rentals in the month of January. There were no damages and deposits were returned.
- **Move-In/Move-Out Report:** One move-out and one move-in.
- **Meetings:** Ms. Myers is continuing to work with the various Committees and reported on the various meetings she had with Committee Chairs (regarding procedures) and Committees (regarding security, building and maintenance), the Board President, Danny, MDU (regarding satellite television), Master Board Meeting at FRIT, electrician Tim Berry (regarding fireplace and circuit board replacement), and published by-weekly newsletters.
- **Waste Management Contract:** The Board is not satisfied with the rate increase for fuel surcharges, especially since fuel prices have gone down.
  - **ACTION:** **The Board directed Management to contact Waste Management and express the position of the Association. The bill will be paid minus the fuel surcharge. If the contractor is not agreeable, other vendor options should be investigated.**

**NEW BUSINESS:**

- **Six Month Condo Fee Moratorium Discussion:** The discussion was tabled indefinitely. Palladian legal counsel advised against this measure, below is their opinion:

In reviewing this issue, we reviewed both the Council's Bylaws and the MD Condominium Act. As you know, Section 3.2(c) of the Council's Bylaws provides that one of the Board's obligatory power shall be the collection of common charges and expenses from the unit owners. Additionally, there are several provisions in the Bylaws that address how the amount of the annual assessment is determined and assessed. Specifically, Section 5.2 of the Bylaws provides that the approved budget "shall constitute the basis for determining each unit owner's contribution for the Common Expenses." The process by which the Council's budget is also addressed this Section as well as Section 11-109.2 of the Condominium Act. Since this process was only recently concluded, any effort now by the Board to impose an assessment would appear to circumvent the recently concluded budget approval process. Moreover, it is so early in the Council's fiscal year that it is very uncertain that the existing operating budget excess will cover the planned expenses of the Council - especially those utility expenses that can vary widely from month to month based upon weather conditions and related issues.

Additionally, the proposal would also contradict the language of Section 5.6(a) which mandates that "each unit owner shall be obligated to pay, in advance, the common charges assessed by the Board against his or her unit." As noted above, it's the approved budget not a ad-hoc directive from the Board that determines how much in assessments each unit is obligated to pay.

Given that the approved budget must be the basis upon which each unit's annual assessment is determined and given the fact that the budget approval process was only recently concluded, it is our opinion that any discussion or implementation of an assessment holiday is inconsistent with the recently approved budget. Also, since the Board is under developer control, the Board must be mindful of its fiduciary duties to act in the Council's best interests and this sort of proposal could, if implemented, place the declarant board in the position of having their fiduciary duties to the Council challenged by the unit owners, especially, if after transition the Council's funding is found to be inadequate for any reason.

- **ACTION: Ms. Kodjanian will forward Mr. Weber the email from the attorney regarding the condo fee moratorium.**

**OLD BUSINESS:** Most of the Old Business on the Agenda was previously covered. The following was covered under Old Business:

- **Audit:** The Auditor was supplied incorrect information when the audit was performed. The Auditor has obtained the correct information and promised they will get the Audit to the Board quickly.
- **Direct TV:** There was a meeting with MDU and they have the ability to bring bulk Direct TV service to the building.
  - **ACTION: The Board directed Jim Haser, Bill Wagner, Cheri Justis and Vicki Myers to meet with Patrick Loftin (MDU) and put together a report regarding Direct TV and report back to the Board at the next meeting.**
- **Prepare Ladder CD Suggestions:** Mr. Weber reported that he will take over the ladder CD issue.
- **Proposed Bylaw Amendment/Rental Rules:** Tabled.
- **Semi Gloss Paint:** Previously approved.
- **Marble Restoration:**
- ❖ **MOTION: Mr. Weber moved and Mr. Jaeger seconded to rescind the Resolution approving the proposal submitted by Rose Restoration to perform the marble restoration and maintenance in favor of accepting the proposal submitted by Stuart Dean. MOTION PASSED: Unanimously (3-0)**

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

- **Security Issue:** Knox Boxed and Strike Plates to secure outside doors.
- **Petty Cash:** It was noted that Ms. Myers should have available cash for emergencies and small purchases. For purchase of small items such as the Knox Box, the General Manager would fill out a check request and forward to Zalco for payment.
- ❖ **MOTION:** *Mr. Jaeger moved and Mr. Weber seconded that an amount of \$750.00 petty cash be made available to the General Manager for small purchases and emergencies. The petty cash should be secured in a locked container and only available to the General Manager. Petty Cash requests from committees should be made in writing. MOTION PASSED: Unanimously (3-0)*

**NEXT MEETING:** Monday, March 10, 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 Monday, February 9, 2009 meeting of the Palladian Condominium Association Board of Directors at 9:40PM. MOTION PASSED: Unanimously (3-0)*

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

**APPROVED & ATTESTED TO BY:** // Michael Schwartzman **DATE:** March 9, 2009  
Michael Schwartzman, Board Secretary