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REALTY INCORPORATED

Palladian Condominium at Rockville Town Square
MANAGEMENT REPORT
September 14, 2009

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Palladian Condominium at Rockville Town Square
MANAGEMENT REPORT
September 14, 2009

I. MINUTES

Approval of minutes of Board of Directors Meeting of July 20, 2009 are attached for review and approval. **(Encl. P1-P6)**

II. FINANCIAL

YTD Financial Summary compiled for August financials which are on file in the management office.

YTD actual cash and excess operating total \$365,083.

Cash funds with Wachovia Bank and Excess Operating at varying financial institutions held in certificates of Deposit.

Reserve Accounts YTD total \$589,997.96 and are transferred from Wachovia to ING Direct.

Funds with ING Direct (Business Savings) and John Marshall Bank (Certificate of Deposit)

Total income YTD budgeted is \$516,234. which include a \$100,000. recapture from 2008. Total collected income YTD is \$434,174. after subtracting the recapture reflects a deficit.

Significant variance in income:

- (\$39,190) - Due in large part to timing of invoices of the developer billing. Developer billing has been provided and is current as of 9/10/09. Due to timing of invoices, this line item always appears one month in arrears.
- (\$66,668) – Master condo fee recapture. This figure will always show as a deficit because it is strictly a paper entry to recapture the total of \$100,000 from 2008 fees and was budget accordingly.

Total expenses YTD budgeted are \$528,400 and actual \$442,172. Therefore total expenses YTD remain under budget (\$86,228).

Significant variance in expenses YTD:

- \$78,019. – Utilities remain under budget do possibly to timing of invoices. Once the draft audit is complete there will be a clearer understanding for how the utilities should be billed and paid for future budget cycles.
- \$9,633 – Contracted Services – due primarily to timing of invoices

- (\$49,828.) – Due to renovations in the building that were not budgeted items. (Hallway redecoration)
- (\$4,659) – Maintenance Supplies – Due to several unexpected purchases for the benefit of the building. To include computer for management office, wet vac, copier.
- \$63,722 – Administrative fees – Due to lack of billing from the “Master Association” and no invoices to date for Professions Fees related to the transition study.

III. MISCELLANEOUS

Audit – Management is still waiting for DeLeon and Stang to complete the draft audit for 2007 and 2008. The delay is due to the significant complexity of the Rockville Town Center project and the funding and billing between the various entities. The firm is projected completion by the end of the month.

IV. CONTRACTED SERVICES

A. Alarm Monitoring/Sprinkler Testing

(Stanley/Sonitroll – Alarm Monitoring – Anniversary Date: October 2011)

Since the billing problems were resolved with Sonitrol, Management finds that service has improved. With the exception of the ongoing problem with the emergency call box in the Fitness Room, Sonitrol has been very responsive during the past couple of months; therefore, both Management and the SS Committee agree that Sonitrol should be given a 90-day cure period for past problems with the expectation that, if service improves, the Palladian will complete it’s contract, scheduled to end in October 2011.

B. Cable TV – Comcast Cable

(Anniversary Date: February 2016)

No notable activity.

C. Copier – Advance Business Systems

(Anniversary Date:)

No notable activity.

D. Elevator - Kone Elevator

(Anniversary Date: November 20, 2012)

No notable activity.

E. Emergency Generator

No notable activity.

F. Exterminating- Western Pest

(Anniversary Date: month-to-month)

No notable activity.

G. **Fire Extinguishers**

(Anniversary Date: February 1, 2009)

Are scheduled for service and testing this month. Danny contacted ACE Fire Extinguisher on 9/9/9 to schedule the service.

H. **Fitness Equipment – Heartline Fitness**

(Anniversary Date: November 21, 2009)

No notable activity.

I. **Garage Door – Overhead Door**

(Anniversary Date: October 31, 2009)

No notable activity.

J. **HVAC – Common Area - Densel**

(Anniversary Date: January 24, 2009)

No notable activity

K. **HVAC – Residential – In house Engineer**

(Anniversary Date: NA)

L. **Janitorial – Clean Mark**

(Anniversary Date:)

CleanMark began the new contract with the Palladian on Tuesday, September 1st. Augustine Vasquez and Marisol Nolasco are our new cleaning staff. Marisol's hours are Mon-Fri, 7:30 am – 2:30 pm. Augustine's hours are 8:30 am – 3:30 pm. They will alternate Saturdays, 8am – 2pm. This schedule is flexible; therefore, if these hours turn out to be unsuitable, we can always change them. They have oriented themselves nicely and appear to be doing a very good job. There were some bumps in the road in the beginning, but we seem to have worked through the initial problems.

Attached is a Daily Task Schedule. We continue to work on and hone this plan. (Encl P7)

One of the first things we will be tackling is the compactor room, which hasn't had a good cleaning for a long time. The trash chutes were cleaned with a degreaser and pump-spray device and the grease, dirt and smells were washed down the chute and swept away. The area is really quite tolerable now.

We are asking the Board to consider the installation of a stationary sink, and a drain in the compactor room. There is really nowhere for the staff and cleaning crew to get water, wash mops, clean painting supplies, or empty dirty water. Currently, the Sales/Management office sink is the only 'slop sink' in the building. Yuck!

M. **Refuse – Waste Management**
(Anniversary Date: February 22, 2010)
No notable activity.

N. **Utilities – Studabakers Submetering**
(Anniversary Date: February 22, 2010)

A billing summary has been prepared and included for review. **(Encl. P8)**

V. PROFESSIONAL SERVICES

A. **Management**
(Anniversary Date: November 30, 2009)
On site Management meetings were held with the General Manager and Building Engineer.

Engineering Study – Management attended three meetings on two dates with the engineering firms bidding to complete the transition/reserve study for the Association. Property Diagnostics was the firm selected by the Committee and the Board of Directors. On August 31, 2009, the questionnaire that was prepared by the firm and provided to management for review and distribution. Management is requesting that the Board of Directors approve the distribution so the firm can begin the process of the study. **(Encl. P9-P10)**

B. **Insurance – John Manougian**
(Anniversary Date: February 26, 2010)
No notable activity.

C. **Legal** –

There is a legal seminar scheduled for September 23, 2009 for the Board of Directors and the Chairperson of each of the committees of the Association to review policy/procedure for the operation of the condominium and responsibilities of the volunteers. If any of the persons attending would like, they can submit questions in advance to Vicki Myers to be provided to the attorney.

VI. MAINTENANCE & ADMINISTRATIVE

A. **Maintenance**

Maintenance: The following tasks were performed by Maintenance during the reporting period:

- Replaced 4 garage light bulbs
- Replaced 32 hallway lights (please note that all bulbs are dated at
- Replaced 2 clubroom, 2 fitness room, 4 elevator lobby. 4 elevator cab, 2 public bathroom lights
- Serviced both AAON Units on roof. Replaced 4 exhaust-fan belts

- Sump pumps continue to back up; however, not as frequently. Danny has had to clean the area twice in the past several weeks.
- Maintenance on Elevator machine Room – clean evaporating and condensing coils, change filter clean filter on 3 units.
- Worked with contractors for Gold’s Gym, Gordon Bierch, and Cottage Monet to resolve maintenance issues.
- Serviced A/C units in Club and Fitness Room.
- Weather stripped 4th floor roof door to close air gaps
- Supervised 15 moves in and out of the building
- Facilitate and accompany contractors in the building, providing roof access:Kone, Various HVAC companies for Gordon Biersch, Gold’s Gym, etc. and Amtek.
- Install deodorizers in compactor room and garage sump-pump level
- Cleaned compactor room with *borrowed* power washer.
- Washed down garage floors
- Removed trash from Block 4 garage
- Touched up paint in lobby elevators 1 and 2
- Set up Club Room for meetings
- Rodney continues to paint and touch up hallways on 2nd, 4th, and 5th floors.
- Rodney also distributes all flyers and notices and picks up deliveries from the concierge desk; he assists Danny with set up for moves in and out of the building.

B. Administrative

- **Committee Recommendations** – There were no reports submitted.
- **Database:** Arriving at the Palladian last December, I found no database. Since then, I’ve been trying to put one together with the bits and pieces of information in the files. In May, I sent out Resident Information Forms that residents were required to complete if they wanted their pool passes. I received 85 responses, which have been entered into the database; however, 67 residents failed to reply.
- Task List – Attached. (Encl. P11)

Proposals for Consideration

- **Entrance Call Boxes:** Attached is a Spreadsheet. Both Management and the Safety and Security Committee recommend that the Board approve the ASG proposal, based on cost, experience and their familiarity with the property. (Encl. P12)

Facilities Report - The following information is for the period of July 25 – September 1, 2009

- **Club Room:** There were no reservations.

- **Move-In/Move out:**

Unit	M/I	M/O
606		7/25
403	7/30	
601	7/31	
414		8/1
426		8/7
202	8/8	
426	8/12	
414	8/13	
537		8/14
606	8/17	
302		8/19
606	8/20	
320		8/22
437	8/28	
216		8/29
302	9/1	

- **Fireplace:** Acme Woodstoves provided a proposal for an electric fireplace insert. The device is made by Manesson Industries, model EF. Management is reviewing the proposal for the installation and will update as soon as possible.
- **Club Room Deck:** Management has received a lot of positive feedback regarding the redecoration and upgrading of the Club Room deck. Residents use it quite often for quiet get-togethers and small dinner parties. The power washer purchased recently to keep the garage, loading dock, compactor rooms, and trash chute areas clean, will be used to keep the deck pavers clean and to power wash the trashcans, and planters when needed.
- **Window Washing:** Management solicited proposals from Crystal Window Cleaning, Kevco, and CleanMark, and should have the bids by the middle of the month. Valcourt who performed the last project, indicated that they are not interested in the job.
- **RTSHOA Board of Directors** – The Rockville Town Square Homeowners Association has scheduled a meeting for Monday, September 21, 2009 in the Fenestra Building (Block 4) from 7pm – 9pm.
- **Concierge Service:** Management drafted a complaint form to receive formal complaints about this service. To date, one complaint (attached) was received. Following an investigation of the problem, it was clear that the Concierge Desk package-storage facilities are lacking; the service is working with very little space, which needs to be addressed by the Fenestra Management. **(Encl. P13-P14)**
- **Bi-Weekly Newsletter:** Included are the 7/29, 8/12 and 8/26 editions. **(Encl. P15-P17)**

- **Lobby Silk Trees:** Silk trees were purchased, delivered and are on all floors except for the mezzanine.
- **Security Items:** Aside from some minor infractions, there have been no significant security issues since the July meeting.

A new computer was purchased to accommodate the GE CCTV software program. After a considerable period of time trying to get the system to work properly, the tech advised that the DVR required replacement. It was ordered and will be delivered around 9/8.

- **Bi-Directional Amplifier (BDA) Installation:** Management received the attached communication from the Police Department on Friday, 9/4, requesting an easement for the installation of a 'small' antenna on the Palladian roof in order to enhance police radio reception in the public (and private) garages. **(Encl. P18-33)**
- **Classes:** On August 13 and 14, Vicki participated in a CAI Risk Management Class, and successfully passed the test to receive a certification. She also attended a Fair Housing Class, provided by Rees Broome, the Association's legal team, on August 19th.
- **Gas and Fire Incidents:** Over the Labor Day weekend (9/5-9/6), a minor oven fire was reported. The Fire Department responded. There was no apparent damage or personal injury. Also during that weekend, there was a report of a gas smell on the 3rd floor. The Washington Gas Co. responded, but could find no problem. On Tuesday, 9/8, again, there were reports of a gas smell on the 3rd floor. At approximately, 5 pm, the Gas Co. responded and found that unit #306 had left his stove gas burner on, but not lit. The Gas Co. turned off the burner. Management wrote a brief warning letter to this owner.
- **Marble Floors** – The quarterly cleaning of the main elevator lobbies, the garage elevator lobbies third floor lobby and all elevator cabs was completed.
- **Satellite Service Agreement** – The final Satellite Service Agreement and a letter of explanation has been prepared by the committee and will be distributed to the membership on September 16th. This will allow ample time for the agreement to be engaged on October 19th. **(Encl. P34-P40)**
- **Correspondence Log:** Below is a correspondence log for July/August. Copies of the letters are attached. **(Encl. P41-P43)**

Date	Unit #	Name of Recipient	Purpose of Letter
7/27	N/A	Transportation Dept.	Request for speed bump – via email
7/27	N/A	Vicki Myers	Response to request for speed bump – via email
7/29	N/A	Kemp – Beltway Cleaners	Termination of contract