

# THE HOUSE SPECIAL

Volume XXI, No.1

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January 2001



## REPORT FROM OUR PRESIDENT DAVID MAYROSE

HAPPY NEW YEAR TO ALL RESIDENTS  
AND STAFF OF SKYLINE HOUSE

### Committee Member Refreshment

A common phenomenon facing the public and private sectors is the need for succession planning. Skyline House is no different. In the past, I have spoken in general about the need for volunteers to serve on the various Skyline House Committees. Now, I feel a greater sense of urgency than in the past. Many of those who have served long and faithfully on Skyline House committees have moved on to other interests or are planning to do so in the near future. Good committee work is critical to our "form of government." It is important to our community to preserve "corporate memory" while transitioning to new committee membership. Many of you have vast experience in needed areas of expertise – engineering and maintenance, finance, law, social activities, security, safety, and management. Consider sharing your expertise by joining one of our committees. The Board of Directors is very dependent upon the recommendations of the committees. The Board almost always accepts committee recommendations. A good way to start is by attending a meeting of the committee that interests you and discussing your interests with the Committee Chair.

### Nominations for Board of Directors

Nominations for the Board of Directors are needed. The election for the Board of Directors will take place in the Spring.



From The  
General Manager  
Gusbey Silva

I wish everyone a wonderful new year. 2000 was a good year for Skyline House. The following major items were accomplished during last year:

- Balcony Repairs.
- East Parking Area & Garage Entrance Asphalt Resurfaced.
- Garage Plaza Rehabilitation.
- Cooling Towers Replacement.
- Elevator Doors Rehabilitation In Progress.
- Finance Department Records Up-dated.

The following major items have been planned for year 2001:

- Completion of Elevator Doors Rehabilitation.
- Seal Coating of Balcony Surfaces.
- Party Rooms Furniture Replacement.
- Lobby Furniture Replacement.
- First Floor Lighting Rehabilitation.
- Re-Keying of all Common Area Doors.

Please remember that your suggestions are greatly appreciated, bring them to our attention at the management office.

### BOARD OF DIRECTORS

PRESIDENT, David Mayrose 1406 E 845- 0234  
VICE PRESIDENT, Budd Coutts 1607 E 931-3165  
SECRETARY, Linda Councill 1716 E 998-7519  
TREASURER, David Tilson 805 W 998-7254  
DIRECTOR, Gary Akin 1713 E 931-0918  
DIRECTOR, Carol Cataldo 307 E 820-5969  
DIRECTOR, Khaled Antabli 1310 E 575-8998

### COMMITTEE CHAIRS/CO-CHAIRS

COVENANTS, David Kafka 210 W 820-0195  
FINANCIAL MGT, Betty G. Weber 102 E 820-3582  
PHYS PLANT/OPS, George Beams 710 E 578-9507  
And Kurt Bedenbauh 1004 E 671-8930  
RECREATION, Tony DiSalvo 502 E 824-1958  
Patricia (Tish) Linsinbigler 705 W 933-7378  
SEC.FIRE & SAFETY, Bob Busby 102W 931-7322

### CHIEF ENGINEER

Greg Grimm, House Maintenance @ Management Office

### EDITOR

#### **THE HOUSE SPECIAL**

Michael L. Moore, 1213E 820-1429  
Copy Due Date: by the 20<sup>th</sup> of each Month

### WEBMASTER

WWW.SHUOA.ORG

Mohammed Ibrahim, 1705W 845-0548

### LETTERS TO THE EDITOR

**THE HOUSE SPECIAL** welcomes brief comments from its readers. Limit your letters to 250 words or less and include your name and unit number. The Association Board reserves the right to refuse incorrect or improper statements.

Information for **THE HOUSE SPECIAL** may be dropped off at the management office or the reception desk.

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From The Editor  
Mike Moore

Welcome to the New Year 2001. I am sure that I am not the only one that is grateful that I am still here. I am looking forward to a great year for **THE HOUSE SPECIAL**.

The contributions from Committees and letters to the Editor must be placed in my box at the front desk (1213E) by the 20<sup>th</sup> of the month prior to publication. One exception is the reports from the Board or Committees that meet the last week of the month. In such cases, please get the text to me ASAP after the meeting so I can meet the publication deadline. The text should be placed on a diskette in MS Word along with a printed copy of the disk contents.

Normally I do not make textual changes to contributions. I may change punctuation or spelling if it is detected or I might rearrange the text so that it is compatible with the rest of the document and fills in empty spaces, etc.



Letters  
To The Editor

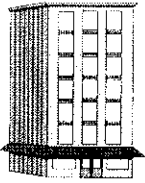
Our readers are always welcomed to contribute letters to the editor. When you do, it should be done in MS Word, printed out and placed on a diskette. I have a lot of problems when I download e-mail. I can receive it but cannot edit it; such as justification.



Finance Committee  
Betty G. Weber

There was no meeting in December. Therefore no report.

Next FMC Meeting 16 January 2001  
7:30 p.m. in the WCR



**Physical Plant  
And Operations Committee  
George Beams  
And Kurt Bedenbaugh**

There was no meeting in December. Therefore no report. However, please read the Washington Post Article on page 4 of this issue.

Next Committee Meeting 11 January 2001  
7:30 p.m. in the WCR



**Covenants Committee  
David Kafka**

There was no meeting in December. Therefore no report.

Next Committee Meeting 17 January 2001  
7:30 p.m.. in the WCR



**Security, Fire  
And Safety Committee  
Robert Busby**

There was no meeting in December. Therefore no report.

Next Committee Meeting 10 January 2001  
7:30 p.m. in the WPR



**Recreation Committee  
Tony DiSalvo  
Patricia (Tish) Linsinbigler**

**T**he Committee met in December to review the forthcoming Holiday Party

First of all, let me thank Carroll Thompson who was responsible for the great Holiday decorations for the Annual Holiday Party. Assisting in the decorations were Tish, the Co-Chair, and Sophia Anderson, Margaret Jaffee and Nadyne McKelvey. We also thank Betty McLaurin and Victoria Panameno who decorated the Christmas tree in the party room and lobby.

For those who were not able to attend the Holiday Party on December 9th, they certainly missed a great party. As usual the food and desserts were outstanding. The Committee thanks the residents and their guests for participating; for without them there would be no Annual Holiday Party.

If you are a resident and have not attended the monthly TGIF, make this your first and meet you neighbors and , to make it easier, you are requested NOT to bring a plate of *hors d'oeuvres*; just your own liquid refreshment.

The Italian Night Dinner is tentatively scheduled during the 1<sup>st</sup> or 2<sup>nd</sup> week of February. Watch the bulletin board for the date and details. As usual, it will be limited to 24 persons; Skyline Residents only.

The Recreation Committee will meet on Wednesday, February 14<sup>th</sup> in the west Card Room at 7:00 p.m. Come and join us we can always use new members.

The TGIF for January 2001 is scheduled for Friday, January 5<sup>th</sup> in the East Party Room at 6:30 p.m.

**COMING EVENTS**

TGIF Friday January 5<sup>th</sup>, 6:30 p.m. East Party Room.

## HOUSING COUNSEL

Benny L. Kass

### Condo Associations Need a Reserve Fund

**Q** I am on the board of our community association, and it is clear that we will need more than \$200,000 to make immediate repairs to our roof and our elevator system. We do not have this kind of money in reserves and our board is desperately exploring ways to raise the money immediately. Can you give us some guidance?

**A** Let this be a lesson to you and all community association board members: You need adequate reserves for just this type of emergency.

There are a number of ways in which a community association can raise money. You have to consult with your financial and legal advisers to determine whether the approach you ultimately decide upon is legal (i.e., authorized by your association's legal documents) and whether the board has the authority to act on its own, or whether a majority of the members must approve.

Here are some suggestions:

- You can hold a bake sale or yard sale. This is the classic way to raise money. Unfortunately, while it may be fun—and you will all get an opportunity to meet and socialize with your neighbors—this approach is not realistic since it will not raise the amount of money you need.

- You can increase your annual budget, thus requiring each owner to pay a larger monthly assessment. Clearly, this route, while perhaps objectionable to many owners, is the least painful way to raise funds. However, if you need the money right now, this is not the solution.

Let us assume that there are 100 owners in your complex, and that each owner has the same percentage interest in your association. To raise \$200,000, each owner will have to come up with \$2,000 immediately. If you raise the budget by \$200,000, the owners will be paying only an additional \$166.66 a month (2,000 divided by 12) over the course of one year. This will increase your bank account by \$200,000—but not until a year has passed.

Even though this is not going to meet your immediate needs, you should consider this approach anyway to build up reserves now so you can avoid falling into this trap again.

- Depending on your legal documents, you can enact a special assessment. This means that each owner would have to come up with the \$2,000 immediately. Clearly, this may be a hardship for some owners. But what choice do you have? If you had thought about the problem earlier—and had begun to accumulate adequate reserves earlier—you would not be in this dilemma.

You should note that the delinquency rate for collecting special assessments is directly proportional to the size of the assessment. The larger the assessment, the more delinquencies you are certain to have. Clearly, this will not solve your financial problems if you cannot raise 100 percent of the special assessment immediately.

- There is a fourth approach that many associations have considered—borrowing the money from a local bank. More and more banks are beginning to recognize that community associations can be good customers and good borrowers.

The bank will look at the financial picture of your association, and will also want to determine

the scope of the proposed improvements. The bank will also want to have the association assign its future assessments to the bank, should the association become delinquent on its monthly payments.

This means that if the association cannot pay the bank, the individual assessments will go directly to the lender, rather than to the association. While this may be harsh, it is the cost of doing business. If you want the bank's money, you will have to comply with its terms.

Many association documents do not permit the board to assign the income stream (i.e., the monthly assessments) to a third party. Thus, it may be necessary to amend your legal documents, which in itself is a daunting task. However, if this is the approach the board wants to take—or if there's no other workable choice—then the board will have to make a strong sales pitch to the membership.

Too many associations are finding themselves in this difficult position. Board members—often for political reasons—are reluctant to bite the bullet early enough and raise the monthly assessment to assure that this problem will not occur.

It is only when it is too late—and there is a new board of directors—that the problem becomes evident. Boards should obtain a reserve analysis study at least once every five years. This study, performed by an experienced and licensed engineer, will evaluate all of the major components of the complex and project their remaining useful life and the estimated cost to repair or replace those components.

For example: The roof has a useful life of 15 years and will then cost \$150,000 to replace. For this component alone, the board must start collecting \$10,000 a year from the membership as a whole (\$150,000 divided by 15) to assure that when the roof fails, there will be sufficient funds available to make the needed repairs or replacement.

Many owners take the position that this is not their concern; they won't be around in 15 years when the roof fails.

In my opinion, this is shortsighted. Even if you try to sell your apartment 10 years from now, a careful potential buyer will want to determine the level of reserves and the availability of funds to make the necessary future repairs. Equally significant, your potential purchaser's mortgage lender will carefully scrutinize the association's budget to determine if there are adequate reserves. Banks do not want to lend money on a losing proposition.

You've heard it before: Pay now or pay later. My experience is that most association owners would rather pay a few dollars now than get hit with a large special assessment in the future.

It's probably too late for your association's immediate needs, but start the financial planning now to avoid future emergencies.

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*Kass is a Washington lawyer. For a free copy of the booklet "A Guide to Settlement on Your New Home," send a self-addressed stamped envelope to Benny L. Kass, Suite 1100, 1050 17th St. NW, Washington, D.C. 20036. Readers may also send questions to him at that address.*

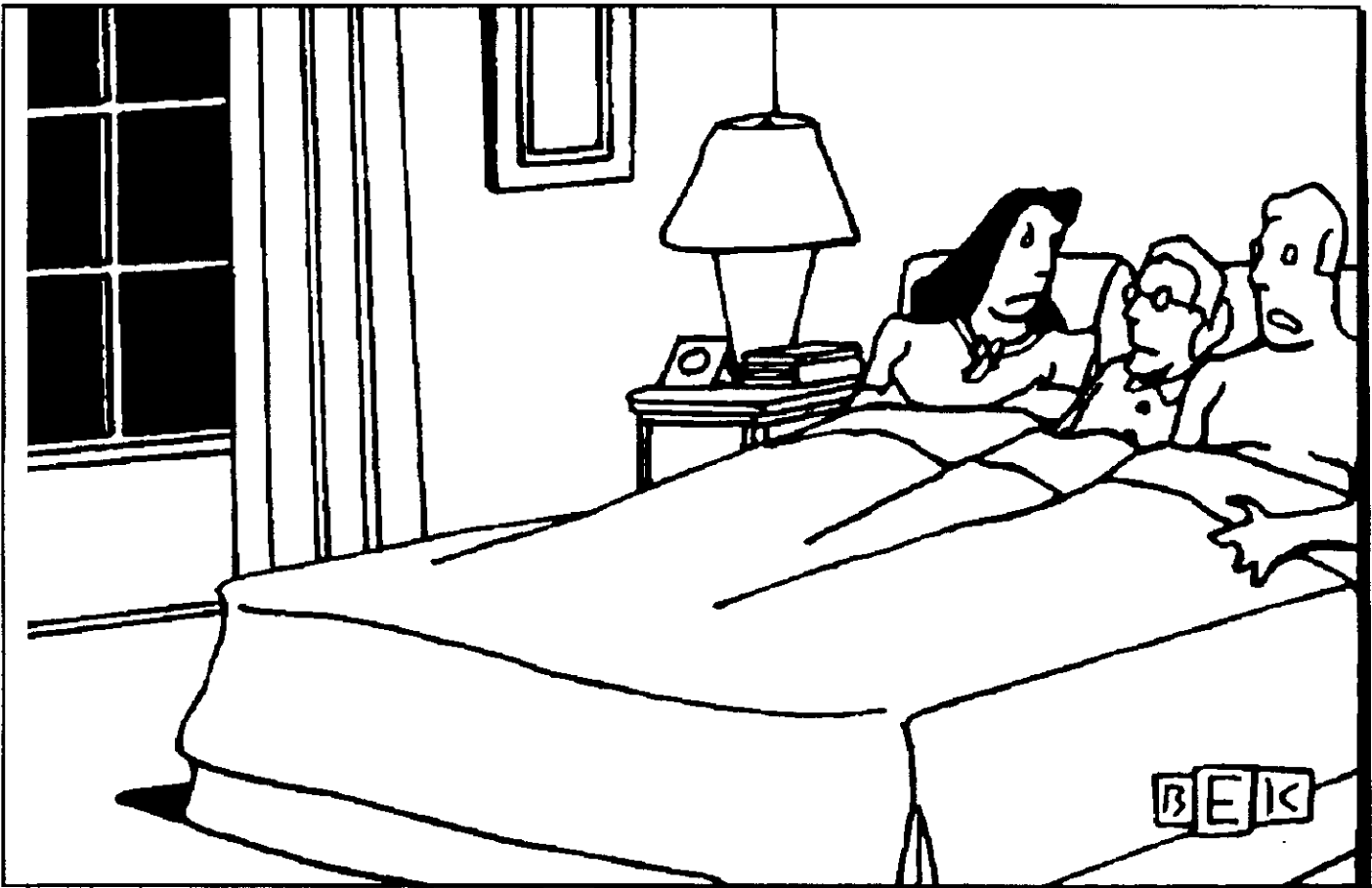


Good Neighbors Committee  
Co-Chairs  
Toska Prather 703-379-7849  
Virginia Wallace 703-671-7648

Good Neighbors for December, 2000

Luise Albin 703-379-1645  
Naydyne McKelvey 703-379-2046

**T**he Good Neighbors are available to assist all residents who are in need of temporary help due to illness or an emergency. The Co-Chairs wish to express their thanks and appreciation for all those who served as Good Neighbors during the past year. If anyone wishes to join the Good Neighbors, please call one of the Co-Chairs listed above.



*"For heaven's sake, Melissa, she's my mother. I can't tell her to leave."*

# JANUARY

## Special Events at Skyline House

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5 TGIF 6:30 pm EPR	6
7	8 Library Open 7:00-8:00 ECR	9	10 SF&SC 7:30 pm WPR	11 PPOC 7:30 pm WCR	12	13
14	15 Library Open 7:00-8:00 ECR	16 FMC 7:30 pm WCR	17 Covenants Committee 7:30 pm WCR	18	19	20
21	22 Library Open 7:00-8:00 ECR	23 Covenants Hearing 7:00 pm WCR	24	25 * BOD - WCR Open Forum 7:00 pm Regular Mtg 7:30 pm	26	27
28	29 Library Open 7:00-8:00 ECR	30	31			