

FAIRLINGTON GLEN COUNCIL OF CO-OWNERS
February 11, 2025 Board Minutes
Online via Zoom

ATTENDEES: Charlie Robbins (President), Maynard Dixon (Treasurer), Seth Theuerkauf (Secretary), Jeremy Wiedemann (Vice President), TJ Doyle (At-Large Member), Amy Steliga (On-Site Manager, Cardinal Management).

CALL TO ORDER: The meeting was called to order at 6:30PM by the Vice President via Zoom.

SPECIAL TOPIC:

Mr. Patrick Renzi of Morgan Stanley provided a special presentation requested by the Board focused on opportunities for investing a portion of the Glen's reserve funds into higher yielding investment instruments. Mr. Renzi first introduced Morgan Stanley's relationship with the Glen, which has existed since 2017, as well as Morgan Stanley's experience working with HOAs more broadly. Mr. Renzi described common characteristics of HOAs that have successfully employed a strategy of apportioning some of their reserves into higher yielding investments. Those characteristics include: (1) robust replacement reserves, and (2) an existing structured ladder of stable, secured investments that goes out 5-7 years to ensure coverage for all expenses in a community's reserve study for that timeframe.

Mr. Renzi shared that most communities that meet the above characteristics will consider investment of up to 25% of their reserves (typical minimum of 10%) into a well-diversified investment portfolio that includes equities and other higher-yielding assets. These portfolios typically include diversified exchange-traded funds (ETFs), mutual funds, and other broad market assets. A strategy often employed includes 'dollar cost averaging' wherein investments into this portfolio are done over a period of time to minimize potential risks associated with 'timing the market.' Morgan Stanley's fee is 1% on the amount contained in the investment portfolio.

The Treasurer indicated that any changes to the Glen's investment strategy would require a Board vote to modify the Glen's written investment policy which currently restricts the Glen's investments to Certificates of Deposit and Treasury-backed assets. The Treasurer indicated potential feasibility of investment of between 10-20% of the Glen's reserves into a portfolio of this type. Mr. Renzi agreed to provide information to the Treasurer on options for the Board to consider prior to any potential future Board vote. The Treasurer also indicated that Glen Co-Owner, Bill Worsley, has offered to provide an additional recommended investment option that will be presented at the next Glen Board meeting in March 2025.

RESIDENTS' FORUM:

Residents attending: John McKennan (Court 12), Lori Derkay (Court 12), Bill Worsley (Court 13) and Michael Schneider (Court 5). Jay Yianilos (Glen Echo Editor).

BOARD MEETING MINUTES:

02.11.25.01 Motion. Moved to approve the meeting minutes from the January 14, 2025 board meeting. Motion passed unanimously.

BOARD MEMBERS' REPORTS:

President –

The President shared that the Glen is in the midst of the winter season, which has included more snow than usual. He expressed appreciation to our On-Site Manager, On-Site Crew, and our contractors for managing snow events this winter. The President shared his recognition of the challenging times facing our community and encouraged residents of the Glen to continue to support one another in the days to come.

Vice President –

The Vice President expressed appreciation for the special presentation provided by the representative from Morgan Stanley at the beginning of the meeting on opportunities for diversification of the Glen's reserve funds to improve returns. The Vice President, however, expressed the need for a cautious approach to ensure maintenance of liquidity of the Glen's reserve funds.

The Vice President noted an issue with access to the Glen Security Committee email account that is listed across several Glen resources (e.g., website). The Vice President requested that all references of an email account for the Glen Security Committee across Glen resources be updated to reflect the On-Site Manager's email address.

Treasurer –

The Treasurer noted that he expects insurance premiums to not rise as dramatically as we've seen in the past, but noted that it is not possible to fully predict premium increases until we are provided with them later this year.

Following a point raised in the Vice President's report regarding the importance of maintaining liquidity of the Glen's reserves, the Treasurer indicated that the Glen must maintain a minimum liquidity of \$300,000. The Treasurer further agreed with the Vice President that ensuring liquidity of reserves is important.

Secretary –

The Secretary inquired with the On-Site Manager about the status of bids for painting for this coming paint cycle in 2025, as well as repair work to degrading paint in Courts 1-4. The On-Site Manager indicated that the recommended higher quality paint is likely to result in an incremental increase in cost, but not a dramatic increase given the generally higher cost of labor than materials. The On-Site Manager indicated that a written bid has not yet been received, but that she will follow-up to ensure its receipt.

The Secretary also asked the On-Site Manager about status of estimates for repair to the damaged emergency access alleyway to the pool. The On-Site Manager indicated that Dominion Paving would be providing a recommendation soon and that she would follow-up to ensure its receipt.

At-Large -

The At-Large Member shared thanks with the On-Site Manager, Staff, and landscaping contractor for the great work during the recent winter weather and great communication with the community.

COMMITTEE REPORTS:

Pool

Pool Committee Chair Lori Derkay asked the President about outcomes from the recent Joint Fairlington President's Meeting where he had been requested to ask about other Fairlington communities taking on the duty of hosting private swim lessons. The President indicated that other Fairlington Presidents were not opposed to hosting private swim lessons within their own pools, but rather they had not yet received any input or requests from their own residents to pursue this. The other Presidents indicated that they would take the request back to their own Pool Committees to see if there was any interest. The Pool Committee Chair indicated that the Glen Pool Committee would be willing to work with other community's Pool Committees to set-up their own private swim lesson programs, if interested.

Landscape

No update.

Court Representatives

The President reiterated a standing invitation for a volunteer to chair the Court Representatives committee. The President reiterated the requirements to serve as Chair, including being a Glen co-owner and appointment by the Board.

Safety

No update.

Maintenance

No update.

E-Charging

The Vice President shared that E-Charging Committee Member Mike Schneider shared information on E-Charging research progress to be included in the next newsletter. The President also shared that new EV chargers have been installed in the parking garage of the Alexandria Professional Center building and may be of interest to Glen residents with EVs given proximity to the Glen.

Fence

No update beyond those provided in reports above.

MANAGEMENT REPORT:

The On-Site Manager indicated a need to schedule an in-person meeting with the Fence Committee and the new Cardinal Management Special Project Manager that has been assigned to provide support.

OLD BUSINESS

The On-Site Manager shared results of the recent survey of Glen residents on interest in in-person Board meetings, noting that results have been mixed. Many residents have

expressed support for hybrid meetings, but a high percentage have also indicated that they would not be willing to come to an in-person meeting. The On-Site Manager will circulate survey results to the Board and will obtain pricing on telecommunications equipment needed to hold hybrid meetings. The President also asked the On-Site Manager to look into logistics of scheduling meetings at the Community Center.

NEW BUSINESS

The On-Site Manager indicated a slight increase in dump fees communicated by our trash contractor, as well as the automatic renewal of our pool agreement. The Treasurer requested the On-Site Manager seek more information on the calculation of the dump fee increase from the Contractor.

EXECUTIVE SESSION

None.

The board reconvened in regular session at 8:11 p.m.

ADJOURNMENT: The meeting was adjourned by the President at 8:12 p.m.

The next scheduled meeting of the Board is Tuesday, March 11, 2024, at 6:30 p.m. The meeting will be held virtually via Zoom.

Respectfully submitted,

Seth Theuerkauf
Secretary