

## Washington's Headquarters Annual Homeowners Meeting 9/27/2015

### President's Report

This year we have embarked upon several projects to maintain and enhance our property. These projects include:

- Restorative plantings in shared common areas – trees shrubs and perennials to fill in for dying and storm damaged plantings around the property
- Deertek deterrent system – to reduce intrusive damage caused by deer to protect plantings, as well as deter ticks, feces and urine in the central shared garden
- Pool cover – to reduce opening and closing costs by reducing the annual pool water refilling charges
- Stonework and roadway repairs – permanent and temporary repairs at the pond and road, caused by age, erosion, and winter storm damage
- Engineering services – Observations, analysis and report to investigate roadway drainage problems as well as retaining wall issues at the tennis court, the roadway adjacent to units 1 and 2 as well as along our Broadway face
- Temporary shoring projects to safeguard the collapsing retaining wall at the tennis court
- Natural gas loads analysis (DiBari engineering in progress)
- Site surveys of both overall topography and extents, services and underground drainage systems (to be performed)
- Gutter and leader cleaning at all units to allow for proper investigation of drainage (in progress)
- Auxiliary building cleanup – records review and automation, elimination of trash, rotted materials, and insect damaged wood
- Maintenance and cleaning at the pool building – scheduled deep and regular cleaning
- Miscellaneous repairs to plumbing, systems and services – replacement of backflow connector
- Repairs to irrigation system
- Repairs and re-lamping of site lighting
- Full Property painting project – painting and wood repair project currently underway after the solicitation and review of multiple bids
- Increased insurance costs

Although our current financial position at this moment is healthy, with more than \$160,000 in reserve, several deferred maintenance and new maintenance projects require more immediate attention and will greatly impact these reserve funds we currently have available.

Immediate issues:

Roadway Drainage

Roadway Resurfacing

Retaining walls stabilization and repair

As many of you are well aware, the roadway exhibited severe buckling and sink holes as a result of last winter's multiple freeze and thaw cycles. We engaged an engineer to observe and report findings as well as provide specifications for recommended repairs and comment on budget costs. What we learned was that the underground drainage system in place is permitting water to pool and collect, rather than leave the property. We have plans for additional drainage to draw water off, however additional investigation was necessary to determine if the existing drywells, collectors and run-offs are functioning correctly to accept additional water capacities. We determined that we did not have adequate records of as built conditions to understand where existing storm leaders are dumping water, so additional work was required to trace lines and investigate system. We are hopeful to have an understanding of the costs involve to correct the under roadway system and correct the conditions over the next several months. Our preliminary discussions place this work at approximately \$ 50,000.

Similarly the roadway surface will need to be addressed either in full or part, after these underground repairs are completed. Our engineer has suggested at approach, if achievable, of grinding down the top layer of asphalt and topping with new. This work will not be started until next year and will require additional funding of approximately \$ 50,000, however it could be more.

Lastly, our property walls, both retaining and bordering, are in need of repair. The most precarious wall is the section along Broadway between the property entrance and the monument, and this section was repaired previously in the 1980's. Our investigations included measurements of the wall movement over a span of time. These measurements indicated shifts that must be addressed. What we learned is that the wall was not constructed to function as a retaining wall to mediate between the two elevations in the property – the parking behind the wall along Broadway is several feet higher than the roadway. Additionally the forces of water pressure pushing at the backside of the wall as well as the roots and soil of plantings along the edge, have contributed to the wall's movement. The design and pricing for reworking and repairing this wall are complicated, and we have not yet had sufficient information to price the project, or determine how we might phase this work. We can expect this work to cost several thousand dollars.

So far we have been fortunate to contain these costs within our existing reserve and operation budget, however moving forward, additional funds will be necessary to begin these projects. The board has begun investigating with several banks, the possibility of securing a loan/line of credit to fund these projects, with the understanding that maintenance fees would be increased incrementally to fund the repayment of the loan, over an estimated 10 year period and these funds would be held in a special account specific to loan repayment.

Homeowners can choose to participate in the loan, or may pay off their share of the assessment immediately or fund through their own personal homeowners line of credit, which will have certain tax advantages.

Thus far the board has taken a very conservative "pay as we go" approach, to minimize impacts to our reserves and stretch/phase these projects as much as possible. We look forward to the thoughts of all of our neighbors, as well as participation in subcommittees to make determinations and recommendations moving forward. I want to thank the current board and our managing agent for gathering information, preparing proposals and a thoughtful dialogue regarding the appropriate course of actions as we have moved forward.