



The house special

Volume XXIII, No. 10

www.shuoa.org

October 2003



Board of Directors President, David Tilson

The major matters discussed at the September 24, 2003 meeting of the Board of Directors were:

The 2004 Budget:

The 2004 budget developed by the Financial Management Committee and Management was presented to the Board for its consideration and preliminary discussion. The Board will vote on the budget at its next regular meeting on October 22, 2003.

The bottom line is that the condo fee increase in the proposed budget for 2004 will be only 2.5%. Both the operating budget and the reserve budget will provide sufficient funds to ensure that our buildings will continue to be well-maintained; all essential services will be provided; staff salaries, wages, and fringe benefits will be adjusted to ensure that our staff turnover remains low, and all the necessary repairs and replacements will be accomplished.

The reserve budget has incorporated the recommended cash flow method of funding and paying for repairs and major maintenance projects from the reserve budget. This approach requires relatively small annual increases in the amount of the annual contribution to reserves included in the budget each year. This will enable us to pay for very expensive projects without major increases in our condo fees or (heaven forbid!) special assessments. For example, we anticipate completing major repairs of the north and south façades of both

buildings in four years starting in 2004. This is a very expensive project, but one that is very necessary and that should be completed as soon as possible. We will also have other major repairs that will be undertaken as needed without jeopardizing the adequacy of our reserves. Of course, this will require responsible budgeting by future Boards – by which I mean incorporating a small increase in the reserve contribution each year – to ensure that the financial condition of our association remains sound.

Management and the Financial Management Committee and its Budget Subcommittee under the outstanding leadership of Dr. Joshua have done, as usual, an excellent job in preparing this complex and detailed budget. The volunteers on the Budget Subcommittee worked long and hard to do the job. We are all deeply in their debt.

Replacement of Residential Corridor Carpet:

The board voted to authorize replacing the carpeting in the 19 residential corridors that have not had their carpeting replaced in the last year or so. The carpeting will now be ordered and installation probably will start early next year.

Problem with Suds in Terrace and First Floor Apartments:

Serious problems of suds backing up through the drains in the sinks and bathtubs of apartments on the lower levels of both buildings continue. After some discussion, the Board asked Management to have a consulting engineer study the problem and advise us of what might be done about it.

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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. Committee reports must be submitted to the Editor by the 23rd of each month or NLT 3 days after mtg.

Information for *THE HOUSE SPECIAL* may be sent by e-mail to the Editor, dropped off at the Management office or the reception desk.

Published by: Skyline House Unit Owners' Association, Inc., 3711 South George Mason Drive, Falls Church, VA 22041-3711

Printed by: Curry Printing and Copy Center
Alexandria, Virginia

Volunteer Recognition Evening:

The Board asked Management to establish an ad-hoc committee of residents to organize a party later this fall at which the many volunteers who serve on committees and in other roles to enhance the quality of life and assist in the governance of this community will be formally recognized. All residents will be invited.



**General Manager
Gusbey Silva**

Storm Damage:

A total of ten trees were damaged by the storm the night of Thursday, September 18th. The contractor removed six trees. The other four trees will be removed at a later date, since they do not present a hazard at this time. Three more trees located in front of the East building and one other located in the breezeway, between the bridge and the accounting office, suffered some damage but apparently can be saved. Management has requested an estimate from the landscaping contractor to replace all the trees lost throughout the property this year.

The water fountain, located in the circle, suffered irreparable damage and must be removed. Management is considering several alternatives to replace this loss.

Garage Beams/Deck Repairs:

The work began on Monday, September 15, 2003, on the upper "A" level, east side of the garage. Notices were posted advising residents of dates and times when all cars should be removed from a specific area while construction takes place.

Residents displaced from our garage are parking in Skyline office buildings #4, 5, and 6 garage while the work is being done. Seven guest parking spaces have been reserved for the use of residents with disabilities that would restrict them from walking back and forth from the office-building garage.

The entire project will last approximately three months. While the project is being done, there will be only one lane available in the center ramp to go up or down.

Handicap Ramp to Bus Stop:

A handicap ramp, that will replace the walkway to the bus stop, will be installed during the third week of October. This project will enable residents on wheelchairs to access the sidewalk without having to use the driveway.

Handicap Access – East Bridge Walk Way to Garage:

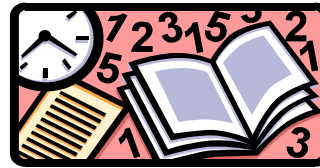
The installation of the handicap access at the bridge entrance to the East building from the garage was completed on Tuesday, September 30th. Now residents with physical challenges may be dropped off at the handicap ramp garage level “A” to enter the building.

Intercom Requirement:

I want to remind all our residents of the importance of having the intercom in working order. The front desk personnel are not authorized to use the outside phone lines to place a call to your unit. They have been instructed to use the intercom system to announce your guests or advise you of a package received, etc. Residents without a working intercom need to call the front desk in advance to give authorization for a guest entry to the building and to find out about packages.

Bird Feeders:

Bird feeders are not allowed on unit balconies. The reason for this restriction is the damage and debris suffered by our residents and common area property by the birds attracted to a balcony due to a bird feeder. Having a bird feeder on a balcony defeats the purpose of the continuous crow and pigeon control programs paid for by the Association.



**Editor
Louise Albin**

School Bond Referendum on November Ballot

*By Kaye Kory, Mason District School Board
Norma Jean Young, School Bond Committee*

The Fairfax County School Bond referendum will be on the ballot November 4, 2003. Many schools in Mason District will benefit from this school bond. Glasgow Middle School will be replaced with a new building, the first new school construction in our district in 30 years. Woodson HS will be renovated; Beech Tree ES, Westlawn ES, and Luther Jackson Middle School will receive modulars, which are an affordable construction option. The passage of past School Bonds enabled renovations to Annandale HS, Stuart HS, Poe MS and Annandale Terrace ES as well as many other schools in our district.

Good schools are good for everyone. Businesses locate in communities because of good schools. The value of our homes depends on the quality of schools. In Fairfax County, in particular, excellent schools provide economic value to our community.

To learn more about the bond referendum visit our website: www.fairfaxschoolbond.org. Become informed about the bond and **vote for the referendum on November 4th**.

**Security, Fire and
Safety Committee
Terry G. Sakellos, Chairman**

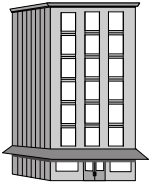


The Security, Fire and Safety Committee did not meet in October. The next meeting will be November 12, 2003 at 7:00 p.m. in the West Card Room.

Remember that residents are required to use their security keys to enter the main lobby door. Those without keys are required to identify themselves and sign in the resident log at the reception desk. Please comply with the front desk personnel when they request you to sign in; they

are only doing their jobs as required by the regulations of the Skyline House Unit Owners Association. The front desk personnel work very hard to serve our needs and control unauthorized personnel from access to the building.

Residents are also responsible for the conduct and behavior of their guests while at Skyline House. Please remind your guests to conduct themselves in a courteous manner. Everyone is on camera when they enter this building and while conducting business at the front desk.



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

The Committee met on September 11, 2003. The following subjects were discussed:

George Beams requested that all attendees pause for “a moment of silence” for the individuals and loved ones who lost their lives in the tragedy that occurred on September 11, 2001.

Garage Beams/Deck Repairs:

The work began on Monday, September 15, 2003, on upper “A” level, east side of the garage. Notices have been posted advising residents of dates and times when all cars should be removed from a specific area while the construction takes place.

The Association made arrangements with Charles E. Smith Commercial Realty to secure parking for our residents during this time. Parking will be available in the garage of the Skyline Office Buildings # 4, 5, and 6. A transmitter is needed to access the garage and a permit should be displayed on the dashboard of your vehicle while parked in their garage.

The entire project will last approximately three months. While the project is being done, there will be only one lane available on the center ramp to go up or down.

Modernization of East Passenger Elevator:

This project was completed at the end of August with the exception of the fire control system, which should be completed at the end of the month.

Façade Repairs:

One of the items on the punch list generated by Gardner Engineering at the end of the project is the replacement of the two dead trees located along South George Mason Drive in front of the East Building. Management received a proposal from SPS to replace these trees, which currently are 25 to 30 feet tall, with two small trees: one 6 foot-7 inches tall Norway Spruce and one 10 foot-12 inches tall Cleveland Select Pear. Management recommends that either two trees of similar height be planted to replace the ones that died due to the chemical spill, or four smaller trees be provided by SPS to compensate for the size of the original trees. The additional trees may be planted in other areas where trees have been previously removed.

Replacement of Residential Corridor Carpet:

Management presented the scope of work to remove the custom carpet for the typical hallways and the G level. Floors Incorporated provided three separate costs for review and selection to remove and replace the following:

Total price for all 18 floors of carpet using the original design patten will cost \$185,880.10.

1. Option #1: The total price to install the original carpeting at the “G” level connector will cost \$16,687.25.
2. Option #2: The total price to install carpeting at the “G” level connector using the Philadelphia’s “Emphatic” pattern will cost \$11,955.35.

Motion: The PPOC recommends that the Board to approve Option No. 1.

Modernization of Service Elevators Cabins:

Management received material samples provided by Artistic Elevator Interior of floor, wall, and ceiling panels for the service elevators.

Motion:

The PPOC recommends that the Board approve the vertical stainless steel panels, plus the addition of bumper rails. The manufacturer clarified that the panel costs in the amount of \$9,748.00 for the panels were included in the original cab allowance at no additional cost to Skyline House.



**Financial Management
Committee**
Wynfred Joshua & Chuck Ruby
Co-Chairmen

The Financial Management Committee (FMC) met on 15 September 2003 to review the August financial statements and other issues. The summary figures for the month of August 2003 are as follows:

Total income: \$268,017.
Total Expenses: \$162,463.
Reserve Contributions: \$91,109.
Net Income before taxes: \$14,445.

In line with the recommendations of the PPOC, the FMC approved two proposals for funding. One was the installation of new carpet in the residential corridors. You may recall that we started replacing the corridor carpet in 2001 when the wrong cleaning treatment caused the carpet to separate from its base and to buckle. Sixteen floors have been replaced so far. The Committee endorsed ordering new carpet for replacing the carpeting on the remaining 18 floors. Purchasing the rest of the carpet now would enable us to get 2003 prices, even though this phase of the project would not start until 2004. A deposit of roughly \$51,000 would be required, with the remaining \$134,880 to be covered in next year's budget.

The second project involved the renovation of the freight elevator cabs. Details of the interior renovation, which the PPOC selected, can be found in that Committee's report. The cost for both elevator cabs will be no more than \$22,000, which is already included in the overall renovation contract. Steel bumper rails will cost an extra \$2,548. Funds are available in the budget, so FMC supported the PPOC decision to go ahead.

The remaining FMC session was devoted to the proposed 2004 budget. The budget consists essentially of two parts: the Operating Budget, which includes what it takes to operate Skyline House, such as staff, insurance, utilities, annual contracts, etc.; and the Reserve Budget, which covers major periodic repairs and replacements items, such as façade repairs, roof, garage repairs, boilers, etc. We first reviewed the proposed Operating Budget.

Most of the Operating Budget items are expected to remain the same or reflect only limited increases. Some items will rise: building insurance is projected to increase some 15%; group hospitalization for our staff is expected to rise almost 16%; workers compensation insurance will rise significantly; and staff salaries have been increased with 3%. Several posts have been decreased, such as financial services (we moved to a cheaper bank for our day-to-day accounts), legal fees, want adds, bird control, etc. Elevator repairs in 2004 will still be partly performed under the modernization warrantee and are therefore 50% less the coming year. Bad debt expenses covering unpaid condo fees or in-unit invoices can be reduced by 50% compared to last year as a result of the successful collection efforts of our bookkeeper. Reflecting the highly efficient management of our condo, the total operating expenses for 2004 show a very modest rise of roughly one percent and amount to about \$2.109 million. Estimated income taxes of about \$22,800 are not included

We then turned to the Reserve Budget. Because we are recommending a major change in the accounting method for calculating the reserve contribution, we are reporting this in some detail. Last month we discussed the Mason and Mason study, which reviewed each of the components in our Skyline House reserve schedule. In addition to checking what and how items should be included in Skyline House's Reserve Budget, the M and M study presented two methods for calculating the annual reserve contribution: the traditional component method and the cash flow method. The FMC was able to discuss the pros and cons of each method with M and M representatives at a highly informative session on September 10, 2003. In light of the answers to our questions, the FMC concluded that the cash flow method offered major advantages over the component method.

The traditional component method, which Skyline House has used, requires that each component be funded at 100% (plus inflation) over its life cycle so that at the end of the cycle when it needs to be repaired or replaced, the funds are available. Over the next 20 years this method calls for annual contributions ranging from roughly \$1 million to a high of \$1.8 million.

Allocations to the Reserve Budget can fluctuate greatly triggering at times sharp changes in the overall budget, and hence our condo fees. This would be the case for example with the major outlays (\$3 million plus) we are facing for repairing the north and south facades. If we were to continue with this method, we would have to increase the Reserve Budget for 2004 by some 38%, triggering a rise in the condo fee of 15.56%.

The cash flow method looks at same items for the same 20 years and uses the same replacement costs and life cycles, but calculates the entire required contribution and spreads this out over the next 20 years. It uses the Office of Management and Budget projection of 2.36% inflation for each component each year. Taking into account the total reserve expenses that need to be paid each year, the cash flow method stipulates that if the reserves for 2004 were increased by 2.36%, then for the next 19 years the reserves would need to be increased by at least 1.5% annually. Applying this method, the 2004 contribution to the Reserve Budget would be \$1,119,110. The bottom line is an overall 2004 budget (Operating, Reserve, and taxes) of about \$3,250,597, which would require only a 2.5% rise in the condo fee.

With the cash flow method Skyline House would be able to meet the required expenses of its reserve schedule each year. The increase in the contribution to the reserve funds would be much more gradual than under the component method, yet provide positive reserve funds balances each year. Interestingly, both methods would provide at the end of the 20 years a balance of roughly \$10 million which would be necessary to meet the major reserve expenses expected by then. This is a large sum of money. However, had we been using a cash flow method 10 years ago, we would not have had the large special assessments. We need a large reserve fund to avoid large special assessments or major increases in the condo fee. Without moving to the cash flow method, future special assessments or condo fees are likely to rise substantially.

The FMC concluded to recommend to the Board to switch to the cash flow method for calculating the contribution to the Reserve Budget. The FMC also recommended to the Board an overall 2004 budget of about \$3,250,597, which requires an increase of 2.5% in the condo fee over last year. The FMC stressed, however, that if the cash flow

method is accepted, Skyline House leadership and Management must realize that from 2005 on the new method requires an annual increase of at least 1.5% to the Reserve Budget. The FMC also strongly recommends that the contribution to the Reserve Budget be reviewed each year in light of possible changes in inflation, unexpected major repairs, unknown projects or required acceleration of major projects.

The FMC ended the lengthy session with a unanimous resolution commending the General Manager for her exemplary performance in managing Skyline House.



Covenants Committee
Joseph Livingston, Chairman

The Covenants Committee met Wednesday, September 17, 2003, at 7:30 pm. in the West Card Room. At the meeting, among other things, the Committee received a report and recommendation from Management of a study of the use of the exercise room during a 90-day period. After consideration of Management's presentation, the Committee agreed to recommend to the Board that the current schedule be continued (i.e., Monday/Wednesday/Friday 9:00 a.m. to 4:00 p.m. women only; Tuesday/Thursday/Saturday 9:00 a.m. to 4:00 p.m. men only; all other times, open to both men and women).

The Committee also requested Management to provide an analysis of the daily use of the facility between 3:00 and 4:00 p.m. The analysis should insure that the actual use is based on a head count if possible.

The Committee also agreed to reschedule its meeting time. The time of the next meeting of the Committee will be posted prior to the scheduled November meeting.



Neighborhood Watch
Judith York, Coordinator

During the summer vacation months, there have been fewer Neighborhood Watch volunteers touring the buildings and grounds. We hope to be

back to full strength this month. It would be very helpful if several more residents volunteered their time of one hour a week to help keep their property safe and the program alive and as effective as it has been in the past. Most of us are able to fit into our busy schedules one hour during the week. It is a good way to let people know we care about our community and are taking steps to keep our community safe. Repairs are performed before worse damage occurs when volunteers list problems in the maintenance log and on their monitoring forms. Residents get to know their neighbors and recognize people living in the East and West Buildings.

We are fortunate to have pleasant front desk personnel and we need to treat them with RESPECT. I have seen and heard residents – and sometimes visitors – belittle our front desk personnel. I would ask that we treat them in the way we, ourselves, would like to be treated. Fortunately, we are lucky to have a more congenial community than other buildings, but we do need to keep working on this in order to ensure that our community, which is very diverse, remains friendly and helpful to all residents and their visitors and, of course, our Management personnel.

The next Neighborhood Watch meetings at the Fairfax County Policy Station located at 6507 Columbia Pike are:

- Open training session; December 2, 2003;
- Coordinators meetings; October 14, 2003; and December 9, 2003

In closing, I would like to mention that VOLUNTEERS are needed to help with the non-walking part of our program. For instance, if someone volunteered once a month, or once every two months, to attend a meeting at the Fairfax County Police Station on Columbia Pike, it would help our new volunteers gain accreditation and keep us up-to-date with security and crime in our community. For those who physically cannot walk the buildings and grounds, they could help write the draft article for our monthly House Special Newsletter. Please contact me during the first week in October if you would like to volunteer your time as a participant in the Neighborhood Watch Program – and remember, we do need more

volunteers and more help with the administrative side of the Neighborhood Watch Program.



Recreation Committee Tony DiSalvo Chairman

The covered dish that was held on September 9 was a great success. Thank you Sophie Anderson and Margaret Jaffee, coordinators for this event. All Skyline House residents who attended had a great time.

The TGIF scheduled for October 3rd has been canceled but will continue in November as usual.

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

There will be no TGIF in October. The next TGIF is scheduled for Friday, November 7, 2003, at 6:30 p.m. in the East Party Room. The Recreation Committee meets at 7:00 p.m., Wednesday, October 8th, in the West Card Room.



Good Neighbors Committee Co-Chairs

Toska Prather 703-379-7849
Ann Preston 703-931-7679

Good Neighbors for September 2003:

Ernest Loyola 703-671-0384
Stephany Kaiser 703-671-8545

The Good Neighbors are available to assist all residents who are in need of temporary help due to illness or emergency. We are always in need of new members to assist those in need. If you are interested in serving your neighbors, please call one of the co-chairs and join us.

SPECIAL EVENTS AT SKYLINE HOUSE October 2003

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6 LIBRARY OPEN 7:00-8:00 ECR	7	8 RECREATION 7:00-8:00 PM WCR	9 PPOC 7:00 PM WCR	10	11
124	13 LIBRARY OPEN 7:00-8:00 ECR	14	15	16	17	18
19	20 FIN MGT 7:00 PM WCR LIBRARY OPEN 7:00-8:00 ECR	21	22 BOARD 7:00-8:00 PM WCR	23	24	25
26	27 LIBRARY OPEN 7:00-8:00 ECR	28	29	30	31	

**Skyline House Unit Owners' Association, Inc.,
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