



The House Special

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President's Report



Richard Porter

As I understand it we are entering Ramadan. So Happy Ramadan!

For SHUOA, we are entering warmer weather at last. The pool opened on 5/26. Work and planning of course is ongoing. The air handlers and upper roofs have been replaced. Planning is continuing on replacement of the garage roof, also known as the pool deck, but in fact much larger than just that, including bathroom remodeling on the M level. Our new 5-year Reserve Study is nearing completion. A meeting about it was set for 5/17. Our reserve budgeting is based on that study.

Because so many major projects have come up and will come up recently, this is a good time for you to get more involved in our committees so that you have a hand in determining the future of SHUOA for decades to come. It's also a good time to get acquainted with the resident leaders who have been here for decades, and who have invaluable lessons about our history and governing philosophy. Lessons learned should not be forgotten or have to be relearned.

We are also slowly making headway with improving our computer system and website. Many thanks to Wendi Cherry for the great work in creating the

email version of the SHUOA newsletter.

I continue to hope that we will be able to develop our own handout about the attractions of living here. I'm hoping our broker residents, or anyone else, will get involved. Attached is a rough start on that project...

“Of mice and men and experts

We hire various experts to help our staff cope with the issues of running our property. The value of experts lies in their experience and training, which goes above and beyond what nonspecialists are likely to know on a range of topics from roofing to accounting and beyond. The expert assists us to understand the nature of any given issue, and to recommend solutions for our consideration. It's our job to pick experts wisely, to come to grips with what we are told, and then to translate that into time, money and effect on our community.

I've met two good kinds of experts: those who thoroughly know their subject areas, and those who have a good grasp on their subjects along with a superior ability to think their way through thorny issues. In either case an expert is of only limited value to us if we don't get the point of what he is saying in terms we can put to use. That is why it is so important that experts we hire lay out what their thinking is and be cooperative in addressing questions or concerns we have. It's also foundational that as the customer we have a right to expect the expert will address our concerns respectfully to clear up what we need to know.

It is inappropriate for experts to talk AT us, or to treat any concerns we have as merely clumsy intrusions into their realm of glory. Moreover, a less than welcoming attitude from the expert discourages exactly the interaction with us that is critical to our getting the best bang from our buck. Too often I see our owners shy away from engaging the expert to clear something up out of fear of being thought dumb or clumsy. So they sit there and a great deal goes over their heads, and the opportunity to extract useful information is lost. Instead I encourage all of us to get to the bottom of what you want to know. A good expert will welcome the chance to explain himself, his methods, his goals, as well as clarifying what he can do, what he can't do, what we have to do, and what we can do together. People there are no bad questions in this arena. I know I intend to use experts to advance my ability to see that we end up with a job well done. I think you should too. I think

our experts need to join in that exercise. And I won't be deterred by seeming uninformed. Often I am. That's why we hired an expert!"

Treasurer's Commentary

Karen H. Johnson



Through the end of April, we have had a favorable outcome for net income after taxes relative to what was expected in the budget. A few items of income and expenses are worth noting. With regard to income, we have had zero receipts as of yet this year for reimbursed legal fees. In addition, the income from the In-Unit Maintenance program in April and in the year to date has been lower than expected. This item is variable throughout the year. With respect to expenses, for April and for year to date, payroll expenses were below budget, especially for In-Unit and for Administrative staff. Group health and water and sewer expenses were also below budget in April and year to date. For many maintenance items, there was no spending in April, and several of these have experienced no spending as of yet this year. For our contract items, both security and trash removal were below budget. Management has suggested that some invoices from the security firm may be late in arriving and will be paid once they do. Various other items were below budget by small amounts and some other items were above budget. Total expenses for April and for year to date were below budget.

Consideration of the steps involved in accepting credit cards as payment for fees raised some questions about our insurance coverage. After consultation with our insurance broker and in light of an annual fee well below the limit for management's discretion, we have added cyber liability coverage to our insurance package. This coverage seems important even without credit card risks as it covers many problems that might arise in today's world with respect to protection of personal information and similar areas.

As of April 30, the total number of units in delinquent status to the Association was 12 with \$37,538 in amount due. The number of renter occupied units rose to 148, 27 % of the total.



Management Report

Michelle Brown-Slaughter



Window Leaks proposal – SK&A

The Board approved SK&A's \$6,700 lump sum proposal to develop the scope of work for water leak repairs to the façade. An additional \$2,100 is proposed for bid review and development of the contract documents. Total contract cost is \$8,800. Once the scope of work is determined and approved, an RFP will be sent to multiple contractors. SK&A will also include specs to paint the faded façade panels on the East building facing the pool. It will be a separate item for contractors to bid on.

100% Balcony & Unit Inspection Project – SK&A & SHUOA Management

Inspection of the East and West units were completed May 11th, 2018. A make-up date for units that were missed is scheduled was completed on Wednesday, May 23rd.

5 Year Reserve Study Project – DMA

An overview of the draft Reserve Study presented to PPOC, FMC and Board members by DMA, on Thursday, May 17th, at 7:00pm. Additional revisions are being made as requested.

Garage Interior & Exterior Inspections

All bidders were notified that the project proposals are currently in review. A final decision will be made after the pool deck project contractor is selected.

2018 Pool Deck Project

The purpose of this project is to eliminate leaks from the pool deck, into the garage and the exterior brick wall. 2018 is only the planning process year, with actual work anticipated to begin in 2019. Two of the three bidding companies – WJE and ETC, were requested to revise their proposals to include more detailed information from their original submissions. A summary will be provided for the June 14th, 2018, PPOC meeting.

West Mezzanine Exercise Room Renovation

On-site staff completed renovation of the exercise room. The space is more open and larger now. Walls were painted, new lighting was installed, and new rubber flooring was installed. The room re-opened May 10th.

Dave Blas: New In-Unit Maint Tech

Dave was hired and began in his new position on May 1st.

Association Rental Unit

Unit 114W, formerly the In-Unit Maintenance Techs apartment, is in the process of being turned so it can be rented. New appliances were installed, the unit was painted, and new flooring was installed to replace the old worn carpet.

HVAC Installation - In-Unit Maintenance Cost Increase

The Associations' 2017 and prior year audits recommended re-evaluating our fixed cost allocations and revising our In-Unit Maintenance service prices. HVAC unit replacements include a labor charge of less than \$200, which is well below market costs. It requires more than one Maintenance Tech to replace the equipment. To fully cover the related expenses, the FMC recommends the HVAC equipment cost be increased an additional \$250 per installation, plus labor. The total cost to unit owners for this service will still be well below the cost of an outside contractor.

Cyber Liability Crime Insurance Purchase

In our quest to accept credit card payments, Management purchased cyber crime liability insurance to protect the Association from the following crimes: 1) an outside hack which can include computer information breach, loss of information, laptops, cell phones, USB drives; (2) infringement of intellectual property, trademark, and copyright. (3) It also includes electronic payments. This will cover the Association for risks such as misuse of a person's credit card information, on-line payments, E-checks, etc.

Credit Card Payment Options

During the National CAI conference, the General Manager met with representatives from Click Pay, Town Square, and Revo Pay. We were also recommended to Stripe- used by Building Link. They all offer on-line and credit card payment services through pay-portals. All but Stripe are compatible with Tops, our accounting system. We are waiting further information from each company to schedule a webinar demo of their systems.

Attorney fees - Unit Owners Collections:

\$2,020 was paid to the Association's attorney in April 2018, for routine delinquency collections.

Attorney fees - General:

\$295 was paid to the attorney for advice on general legal services for the month of April.

Collections update- \$37,538 (April 2018)

Delinquencies

6 units owe \$34,074 for delinquencies that are 60 days past due. 6 units owe \$3,464 for delinquencies that are 10-60 days past due. Collection is being handled by the Association's Attorney.

5/21/18, Board Meeting Action Needed:

- SK&A window leaks proposal – Approved
- \$250 increase in HVAC equipment cost – Approved
- Judicial Lien Foreclosure (account #20528) - Approved

Chief Engineer's Report

Gregory Grimm

AIR CONDITIONING AND LEAKS

So far this year, we've only had a few residents to service their heat pumps for the summer. Performing a Preventative Maintenance (PM) service on your heat pump will save you money in several ways. Here are a few benefits of having a PM service:

We add an algacide to the air conditioners drain pan which helps stop condensate leaks. It keeps the drain pan and drain lines clean of algae that clog them and cause leaks.

We check the amount of Freon in the unit to assure that it is at the proper level, and it is running at peak performance. When Freon levels are low: (a) the unit runs much longer; (b) it does not produce cooler air as required; (c) it costs much more to operate the unit.

If you have not had a PM service and your HVAC fails, you will be denied service after hours (nights and/or weekends) when your HVAC fails to operate or leaks. As of June 1st, 2018, if you have an original 40-year old heat pump that came with your unit when the property was built, we will no longer service it. You must replace it. We are unable to obtain parts to repair it!

YOUR HOT WATER HEATER

The normal life expectancy of a hot water heater is 10-14 years. Warranties vary from 6 to 12 years, some manufacturers offer more. While your water heater may continue to operate normally for years to come, it may be very close to its life expectancy. That means it could fail tomorrow. When it does fail, you will not have hot water for your unit. And it will leak and cause damage to your unit and the units below or next door. When your water heater has exceeded the warranty period, we recommend it be replaced. Call the office (703-578-4855) for a cost estimate. Or feel free to call a vendor of your choice.

UNIT HEAT PUMPS

Many units still have the original heat pump, which are now approaching 40-years old. These units have far exceeded their lifespan and can fail at any time. We recommend replacement to avoid no air conditioning or heat in the future. The new units are much more efficient and use much less electricity than the original units. More information is available in the Management Office. Units ordered from SHUOA usually arrive within three business days and take less than three hours to install.

REMEMBER- AS OF JUNE 1ST 2018, WE WILL NO LONGER SERVICE THE 40-YEAR OLD ORIGINAL HEAT PUMPS THAT CAME WITH YOUR UNIT WHEN THE PROPERTY WAS BUILT!!

Financial Management Report

June Baker

The Financial Management Committee (FMC) met on Monday, May 21, 2018.

The financial figures for the month of April 2018 were: total Income of \$386,437; total Expenses of \$234,046; Reserve Contributions of \$125,449; State and Federal tax payments of \$13,981; leaving a Net Income of \$12,961 for the month of April.

For April, The Variance Report showed that actual Revenue was less than \$1000 below budgeted amounts primarily because of lower than expected legal fee income and in-unit maintenance income but better than expected interest income. In the Expense accounts, all were below or just slightly above budgeted estimates.

Several Committee members had questions about individual accounts in the financial statements, and General Manager Michelle Brown Slaughter answered the questions.

Budget season will soon be upon us, and dates for subcommittee meetings are: Wednesday, August 15, from 2-4pm for the Operating Budget and Thursday, August 16, from 7-9pm for the Reserve Budget. We will decide whether to schedule additional days for final revisions when we meet in June.

In reviewing the Contracts List, we noted that two contracts need to be addressed by the end of the year – our IT and uniform contracts. Management has begun looking at additional companies from which to solicit proposals.

We received updates on several ongoing projects, including the pool deck project, balcony inspections, garage interior and exterior inspections, and the DMA Reserve Study meeting. In addition, Deputy General Manager, Tycia Haight discussed the status of the Association's rental unit which is being prepared to be put on the rental market, since our new maintenance tech will not be moving into the unit.

SHUOA has purchased cyber crime insurance from our insurance provider at a low cost to protect us from such crimes as outside hacks, infringement of intellectual property, stolen employee and resident information, and electronic payments.

Management is actively pursuing finding companies to enable us to allow credit card use for maintenance and other charges. When we find a compatible company, it is intended that all fees will be paid by the resident and not the Association.

General Manager Brown Slaughter discussed Management's recommendation to raise base prices on HVAC units by \$250 and charging actual labor costs. Our auditors have been recommending for the past three years that we raise such prices because we continue to lose money on in-unit maintenance projects, especially on HVAC and water heater installations. Prices have not been

increased for more than six years even though our costs have risen. Even with the increase, SHUOA in-house prices to residents will remain significantly lower than prices of outside vendors.

The FMC next turned to action items, and the Committee is recommending that the Board of Directors:

- Approve the \$8,800 SK&A proposal to prepare project specifications for the façade sealant replacement and bid review and development of contract documents. The recommendation was passed unanimously.
- Approve Management's request to increase the base price of the three types of HVAC units by \$250 and charge actual labor costs for installing the new units. The recommendation was passed unanimously.

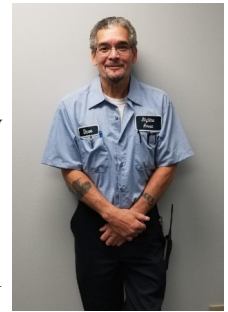
The next FMC meeting is scheduled for Monday, June 25, 2018. As always, all residents are welcome to attend.



Welcome, Dave Blas!

Dave Blas became our new In-Unit Maintenance Tech as of May 1st, 2018.

Dave comes to us from a condominium and has 20+ years of experience, as well as running his own business. He's already received compliments on his professionalism and knowledge. Please help us welcome Dave to Skyline House!



SHUOA Newsletter

Opt-In!
Stay
Connected!

Greetings Residents,

I am Wendi Cherry and I have enjoyed living in the community for a year.

I am working with a team to move our newsletter to a digital format. **Don't worry... the paper version will still be available, we are just digitizing to save paper, time and money.** The digital version will be in full-color and include photos of our community. So, please say yes, if I stop you and ask to take your picture!

Opt-in by sending an email to shuoa.newsletter@gmail.com.

Please support our efforts today! Looking forward to sharing the news of our great community in a new way!

Wendi Cherry



June 2018

Calendar

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4	5	6	7	8	9
10	11	12	13	14 PPOC 7:00 PM Meeting Room	15	16
17	18	19	20 Covenants 7:00 PM Meeting Room	21	22	23
24	25 FIN MGT 7:00 PM Meeting Room	26	27 BOARD 7:00 PM Meeting Room	28	29	30

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