

**The Chesterfield Cooperative
Board of Directors
Meeting
March 31, 2009**

Attendees

- Genie Grohman, president
- Bill Bramble, secretary
- Chris Plante, treasurer
- Roger Tilton, TBM, property manager
- Vin Byrne, finance committee chair

Approval of Minutes

The secretary reported that the minutes for the February 15, 2009, meeting of the board had been approved by e-mail. They will be sent to shareholders.

Financial Review

The board discussed the draft budget prepared by Roger Tilton, which recommends no increase in fees. Tilton commented on several specific items: (1) the cost of electricity in the coming year will diminish because of a low-cost 2-year contract; (2) real estate taxes will increase by 7-9 percent a year (whatever is the maximum allowed by the D.C. government) until the basis for the building reaches \$12,500,000, its current assessed value (about twice the current basis); (3) for landscaping and some other services, Tilton Bernstein Management has and is negotiating stable or lower costs for the coming year in light of the economic environment.

The board approved the budget with minor revisions as discussed. It will be distributed to shareholders for the annual meeting.

The board reviewed the updated capital improvement plan (CIP) prepared by Vin Byrne. Overall, the cooperative is on track to complete all projects as currently foreseen and pay off the mortgage balance in fiscal 2015 as planned. For the major redesign and redecorating work by Sroka Design, the final cost will be about \$397,000: in addition to the \$330,000 approved budget, the board approved three separate changes totaling about \$67,000 (for design changes and materials upgrade, redoing the fire alarm system, and construction management).

With regard to a review of all the building's mechanical systems, Byrne reported that an RFP for the work (prepared by the building's consulting engineer, George Gerber) resulted in two bids, of \$14,000 and \$23,000. Gerber and Byrne do not believe either of the bids would be good value for the work; instead, they

recommend that the board hire an individual mechanical engineering consultant who was identified during the bidding process.

The board approved hiring an engineering consultant as discussed. Byrne will oversee his work, with input from Gerber as needed.

Draft Audit

The board approved the draft audit, which had been distributed prior to the meeting.

The board discussed replacing the building's current auditors, who are quite expensive; Tilton will investigate other options.

Boiler Replacement

The board discussed the pros and cons of replacing the boiler now or later. Because of the emergency replacement this winter of the burner, which is the most expensive part of a boiler, the urgency of boiler replacement is much reduced. One argument for replacement is the higher efficiency and, hence, lower operating cost, of a new boiler (though keeping our new burner). In addition to replacing the boiler, two other options were discussed: buying a back-up boiler or buying a new boiler and making our current boiler a back-up boiler.

The board authorized Byrne to add consideration of these options to the work for the mechanical engineering consultant.

Condition of Building Water Pipes

The board discussed whether the cooperative should consider replacing the regular water pipes. Tilton explained that such a project is very complicated— involving many more risers and intrusions into individual units than the replacement of the heating and air conditioning pipes (completed a few years ago). In general, repairing individual pipes as they fail is an adequate strategy. If replacement is contemplated, Tilton said it is usually done a few risers at a time, overall several years. The board and property manager will monitor the pipes over the next several years. To date, the number of failures has been quite modest.

Laundry Room

At Tilton's suggestion, the board discussed different systems for the laundry room—including new machines and a different payment system (cards). If the cooperative decides to make such a change, we should also modernize the room. Grohman reminded others of an earlier analysis of the options for the laundry room; there are very few.

AT&T and T-Mobile Contracts

Tilton agreed to review and manage the AT&T and T-Mobile contracts for antenna services and involve the board if anything unusual arises.

Green” Options for the Building and Management

The board discussed the pros and cons of providing some compact fluorescent bulbs to residents but made no decisions.

To save on paper and mailings, Tilton recommended a website for the Chesterfield for distribution of some information for shareholders, such as the building’s audit, as well as handy reference of basic documents (proprietary lease, bylaws, house rules). The site would be accessible from the TBM website, and Tilton Bernstein will set it up for us.

The board enthusiastically endorsed the plan for a Chesterfield website hosted by Tilton-Bernstein.

Tilton raised the question of getting rid of coupon books for monthly payments: they are relatively expensive and only about one-quarter of shareholders use them. The board discussed this, but decided not to take any action at this time.

House Rules

Grohman reported that the revision of the house rules had finally been completed, and they will be distributed in hard copy to shareholders.

New Entry Fobs and Security System

Tilton reported that we have received the new fobs and the system will be set up for distribution within a few weeks. Garnett will manage distribution of the new fobs, for which we will now have a record.

Follow-Up Projects for Building Refurbishing

The board discussed and took the following actions on the list of projects that had been distributed prior to the meeting:

- Approved refinishing the areas around the new locks and door handles, to be paint-ready (approximate cost, \$6,000).
- Deferred action on painting stairwells and garbage rooms, because inside painting is less expensive during winter months (and less smelly).
- Approved matching door handles for all non-unit doors (approximate cost, \$2,000).
- Approved refinishing all the thresholds to units, with a water-based stain

- (approximate cost, \$2,000).
- Approved replacement of the damaged lobby stair tiles (approximate cost, \$425); this should eventually be paid by the U.S. Postal Service, which caused the damage.
 - Deferred action on the original Sroka Design proposal for mirrors in the lobby and on all floors, at an estimated cost of \$16,000. [Subsequently, the board decided to proceed with a less costly approach to mirrors, with the assistance of the decorating committee.]
 - Deferred consideration of plants or artwork for the lobby.
 - Deferred consideration for planters or other elements for the front of the building; one such element for consideration is to repeat the pink marble of the columns for the part of the area under the new window.
 - Deferred redoing the landscaping for the side and rear of the building.

Pet Policy and a Seeing-Eye Dog

The board has learned that a blind resident may acquire a seeing-eye dog: The question was raised as to whether our prohibition on pets covers a seeing-eye dog. Tilton said he believes it does not, but the board should check with our counsel. [Counsel Joe Douglass subsequently informed the board that a seeing-eye dog is considered a reasonable accommodation for a disability and is exempted from any building prohibition on pets.]

Annual Meeting

The board set May 27 for the annual meeting. [Subsequently, it was changed to May 26, and Grohman informed the board of her intention to run for reelection.]