Approved: November 29, 2011

CAMERON STATION COMMUNITY ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING MINUTES

Tuesday, October 25, 2011

The regularly scheduled monthly meeting of the Board of Directors for October was held on Tuesday, October 25, 2011. The meeting was called to order at 7:02 p.m. by Mindy Lyle at the Cameron Club, Alexandria, Virginia 22304.

Board Attendance: Mindy Lyle-President, Tom McClimon-Vice President, Don Buch-Treasurer, Michael Kidwell-Secretary, Philip Ludvigson-Director, Nick Giannotti-Director (7:12pm), Alvin Boone-Director (10:20 p.m. via speaker phone)

Others Attending:
Airielle Hansford, Community Manager, CMC and Mary Flynn, Assistant Community Manager, CMC

Move To: Approve the October 25, 2011 meeting Agenda.
Moved by: Tom McClimon
Seconded: Don Buch
For: All
Against: None
MOTION PASSED

GUEST SPEAKERS
Deputy Chief, Blaine Corle, City of Alexandria Police Department, updated the Board on the latest crime report and advised that there would be extra officer patrolling in the community on Halloween night. Mindy Lyle asked Deputy Chief to have the School Crossing Guards park their vehicles in parking spaces while on duty and not in the Cameron Station Boulevard travel lanes. Deputy Chief said he would address the issue immediately.

Commander Mondre' Kornegay, City of Alexandria Sheriff's Office, supplied child ID kits for residents to pick up. She also advised that there would be extra officers patrolling on Halloween night.

RESIDENTS' OPEN FORUM
Judith Henderson, President of Carlton Place Condominium Association and Board member, Cheri Avila expressed their concerns about the proposed Cameron Club renovation project and prior discussions among the Board regarding a proposed rental fee for the Sub-Association Management Office at the Cameron Club.

Jeff Rostand, President of Woodland Hall Condominium Association, also expressed his concerns about possible rental fees for the Sub-Association Office and asked the Board to allow their site manager to maintain office space at the Cameron Club free of charge should the Board approve the renovation plans.

Dick Shea, Budget Committee Member for Main Street Condominium, asked the Board to replace a missing tree in front of the 4950 Building and also have the Landscapers look at a second tree in the same area that appears to be under distress. Management advised that Lancaster would inspect these issues and provide a proposal.

Move To: Approve the minutes from the September 27, 2011 Board of Director's meeting.
Moved by: Tom McClimon
Seconded: Don Buch
For: All
Against: None
MOTION PASSED

FINANCIAL REPORT
Management provided a copy of the September 2011 Financial Report to the Board in the packet materials. Don Buch presented the Financial Report.

Investments:

On September 30, 2011 the Association had operating and investment funds totaling $2,209,042.40. The First Association Bank* operating account had a balance of $220,872.94. The First Association Bank Google Ads account had a balance of $818.15. Based upon this statement, the Smith Barney Money Market account had a balance of $145,653.94. There is $1,828,000.00 invested in laddered CDs and investment funds. Additionally, there is $1,000.00 in the petty cash account

*The following information is from the First Association Bank's website: *Notices of Changes in Temporary FDIC Insurance Coverage for Transaction Accounts*

All funds in a "noninterest-bearing transaction account" are insured in full by the Federal Deposit Insurance Corporation from December 31, 2010, through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least $250,000 available to depositors under the FDIC's general deposit insurance rules.

The term "noninterest-bearing transaction account" includes a traditional checking account or demand deposit account on which the insured depository institution pays no interest. It also includes Interest on Lawyers Trust Accounts ("IOLTAs"). It does not include other accounts, such as traditional checking or demand deposit accounts that may earn interest, NOW accounts and money-market deposit accounts."

Balance Sheet:

The Accounts Receivable Residential Assessments account as of September 30, 2011 was $30,450.34. This reflects a delinquency rate of approximately 1.459%, which is below the industry standard of 5%.

Accrued Reserves total $1,546,801.44 and are fully supported by cash and investments. Owner's Equity**, which has a balance of $414,979.97, is also supported by cash. This signifies that the Association is in a healthy financial position.

The Capital Reserves account totals $53,121.10. There is $27,709.78 in approved Capital Improvements projects to be funded from this account and $25,411.32 in unappropriated funds.

***The Association's Unappropriated Prior Year Owner's Equity is the cumulative amount of net income or losses since the inception of the Association. Each year the net income (or loss) is added (or subtracted) to/from this amount. Auditors recommend that it is healthy for Associations* to *have between 10-20% of the Association's annual assessments in this line item.*

Income Statement Report:

The Income Statement Report reflects a year-to-date income of $1,652,195.42, which is $2,533.08 *below* the budgeted amount of $1,654,728.50.

The year-to-date expenses total $1,604,513.03 which is $74,870.47 *below* the budgeted amount of $1,679,383.50. Below are a few line items that I would like to bring to your attention, as they have a variance of more than $1,500.00 of the year-to-date budgeted amount.

- Postage, line item #5010, was $1,912.50 below the year-to-date budgeted amount. This line item should level out towards the end of the year as the larger mailings are sent.
- Cost of Collections, line item #5074, was $2,278.00 below the year-to-date budgeted amount, as the association has not had many delinquencies in 2011. This line item covers costs related to the collection of delinquent assessments.
- Decals & Parking Passes, line item #5075, was $3,378.27 below the year-to-date budgeted amount. Management anticipates that this line item will level out towards the end of the year when the 2012 Visitor Parking Passes are ordered. This was a new line item and management may adjust the budget spread for FY2012.
- Acct Setup/DD/Coupons, line item #5106, was $3,883.60 below the year-to-date budget amount. Management anticipates that this line item will level out towards the end of the year. The budget spread for this line item will be adjusted for FY2012 to project more expenses in last quarter.
- Temp Desk Coverage, line item #5421, exceeds the year-to-date budgeted amount by $16,979.40. The front desk was manned by a temp employee for several months while Management searched for a new Administrative Assistant. Please note that this vacancy has had an impact on the Administrative Payroll and Payroll/Taxes/Benefits/Costs line items.
- Board/Committee Expenses, line item $5801, was $2,136.90 below the budgeted amount. This line item should level out towards the end of the year as the costs for the Annual Meeting are incurred.
- Legal Fees – Collections, line item #5105, was $2,252.28 below the year-to-date budgeted amount. Management has recommended a $2,000.00 reduction in this line item for FY2012.
- Administrative Payroll, line item #5402, was $18,238.40 below the year-to-date budgeted amount due to the vacant Administrative Assistant position.
- Payroll Taxes/Benefits/Costs, line item #5501, was $6,860.33 below the year-to-date budgeted amount due to the vacant Administrative Assistant position. Additionally, two of the Management employees do not participate in the CMC benefit package.
- Liability/Property Insurance, line item #5221, exceeds the year-to-date budgeted amount by $2,443.86. This is due to an insurance expenditure adjustment per the FY2010 audit totaling $1,864.24.
- Newsletter, line item #5701, was $5,711.73 below the year-to-date budgeted amount. This is due to the Communication Committee's decision not to have a July/August edition of the newsletter.
- Other Communication, line item #5820, was $4,866.38 below the year-to-date budgeted amount. This line item should level out towards the end of the year as the larger mailings are sent out.
- Website, line item #5830, was $8,832.37 below the year-to-date budgeted amount, due to lower than anticipated costs. There is $18,920.00 budgeted in this line item for FY2011. Management is recommending a large reduction in funding for FY2012.
- Community Activities, line item #5601, was $6,565.72 below the year-to-date budgeted amount. There were fewer events in early 2011 due to the division on the CCEC in January 2011.
- Common Area Water/Sewer, line item #5901, exceeds the year-to-date budgeted amount by $7,190.14. This line item has been increased by $7,000.00 for FY2012.

- Irrigation System Contract, line item #6002, was $3,529.83 below the year-to-date budgeted amount. Management has recommended a $5,000.00 reduction in this line item for FY2012, as there is $5,000.00 for irrigation systems allowance each year in the reserve study to cover costs of repairs.
- Snow Removal Contract, line item #6003, exceeds the year-to-date budgeted amount by $15,589.28. The bills for snow removal totaled $44,922.28 which is $922.28 above the annual budgeted amount of $44,000.00. This overage is mainly due to the costs to spread ice melt on the private streets on the priority treatment list in place of sand, at the request of the Board.
- Common Area Lighting Maint., line item #6102, was $13,518.40 below the year-to-date budgeted amount. Significant lighting repairs were completed in August; however this work was coded to the Repair & Replacement Reserves. The Association received an invoice in October for lighting repairs totaling $4,657.50. Management anticipates that this line item will level out towards the end of the year.
- Tree & Shrub Maintenance, line item #6104, exceeds the year-to-date budgeted amount by $3,554.06. This was due to the removal/replacement of several trees in the community. Management anticipates ending the year on budget.
- Turf Treatment & Enhancement, line item #6105, was $4,435.82 below the year-to-date budgeted amount. Management anticipates that this line item will level out in the fall when the aeration and overseeding are completed.
- General Maintenance Supplies, line item #6361, was $3,553.61 below the year-to-date budgeted amount. This is a new line item for FY2011 and Management will continue to monitor expenses.
- Common Area Consulting, line item #6640, was $1,614.12 below the year-to-date budgeted amount. These funds will be used to cover the contract for Rust Orling to compete the Club renovation plans.
- Trash Removal Contract, line item #6012, was $5,184.59 below the year-to-date budgeted amount. The monthly trash bills total $22,045.00 not including additional fees for special pickups, new/replacement recycling bins, etc.
- Health Club Management/Staff, line item #5420, was $1,853.99 below the year-to-date budgeted amount. Monthly expenses have been roughly $250.00 less than anticipated.
- Pool Supplies, line item #7204, was $1,826.94 below the year-to-date budgeted amount. $1,476.39 in expenses was incurred in October during the closing of the pool.
- Exercise Equipment Repair& Maintenance, line item #7245, was $1,545.29 below the year-to-date budgeted amount. Several pieces of equipment have been replaced in the past 12 months, resulting in less service calls. Management has recommended a $1,500.00 reduction in this line item for FY2012.
- Utilities, line item #7323, exceed the year-to-date budgeted amount by $1,789.75. Management anticipates that this line item will level out towards the end of the year
- Operating Contingency, line item #5301, was $3,750.00 below the year-to-date budgeted amount. This line was previously known as Operating Reserves, which was not a very accurate description. After consulting with the Board Treasurer, CMC renamed this line item and moved it to under the Other Expenses category. The Operating Contingency is intended to cover unexpected unbudgeted expenses and "known unknowns", such as an insurance deductible or an unexpectedly large snowfall which exceeds the budgeted snow removal amount. Ideally, funds for this line item will not be used and will help to build the Association's Unappropriated Prior Year Owner's Equity.

Overall there is a *positive* variance between year-to-date income and expenses in the amount of $47,682.39 through September 30, 2011. As always, Management will continue to closely monitor the monthly expenses for the Association and will advise the Board of any specific issues that may have an impact to the budget.

WTS REPORT

Kevin Horner, WTS Fitness Director, presented the WTS Report for September. Kevin reported that the Fitness Center is coming up on a record year in regards to utilization of the facilities. Kevin also advised that two pieces of equipment were repaired and that the Health Fair was a success. Don Buch asked that WTS provide in future WTS reports the dates that broken equipment is reported and when equipment is repaired.

COMMITTEE REPORTS

The Board reviewed committee reports on activities and recommendations to the Board since the last Board meeting.

Activities & Events Committee- Michael Johnson, Committee Chair, updated the Board on the upcoming Halloween Party and Casino Night.

Architectural Review Committee – Tom McClimon, Vice President and ARC Liaison, reported that the ARC recommended approving two new members and that they are still looking for a Chair.

Move To: Approve the appointment of Karen Diener and Craig Wiesen to the Architectural Review Committee for two-year terms.
Moved by: Tom McClimon
Seconded: Nick Giannotti
For: All
Against: None
MOTION PASSED

Common Area Committee, Arielle Hansford, Community Manager, CMC, updated the Board on Management's meetings with contractors in regards to future asphalt repairs. Mindy Lyle requested that VA Paving be asked to provide a proposal. She also asked for an update on the fall tree plantings.

Move To: Approve the appointment of Henry Chan to the Common Area Committee for a two-year term.
Moved by: Tom McClimon
Seconded: Michael Kidwell
For: All
Against: None
MOTION PASSED

Communications Committee, Jamie Test, Committee Chair, advised the Board the Committee is researching improvements on various features of the website. Jamie discussed the possibility of phasing out the printed version of the Community Flyer next year. There was also discussion regarding distribution of the Cameron Station Newsletter, The Compass, among owners and renters.

Cameron Club Facilities Committee, Martin Menez, Committee Vice Chair, reported that the Committee discussed the benefits of coordinating Fitness Center news on the Association's social networking sites. Martin advised that the Committee had discussed suggestions of the presentation of the Cameron Club renovation project to the community should the Board approve it.

OLD BUSINESS
Retailers Update-Board Members discussed the opening of Café Pizziola tentatively set for December 1, 2011.

Bond -Out Update- Mindy Lyle advised that the sewers in Phase III will be going on to maintenance bond next week. Currently, the community has three (3) phases off bond, two (2) phases on maintenance bond and two (2) on performance bonds.

NEW BUSINESS
None

Move To: Approve the R.E. Lee Electric Co., Inc. contract to provide snow removal services for the 2011-2012 winter season on the private streets and walkways within the community.
Moved by: Nick Giannotti
Seconded: Michael Kidwell
For: All
Against: None
MOTION PASSED

Move To: Approve the Lancaster Landscapes proposal for sod and turf restoration totaling $3,029.50.
Moved by: Nick Giannotti
Seconded: Michael Kidwell
For: All
Against: None
MOTION PASSED

Move To: Approve the Lancaster Landscapes proposal totaling $1,695.00 for the creation of a swale along the sidewalk at the Martin Lane pocket park.
Moved by: Nick Giannotti
Seconded: Michael Kidwell
For: All
Against: None
MOTION PASSED

Move To: Approve the Pitney Bowes contract renewal for the rental of the postage meter totaling $66.00 per month for 51 months beginning February 2, 2012.
Moved by: Nick Giannotti
Seconded: Tom McClimon
For: All
Against: None
MOTION PASSED

Move To: Approve the framing of the West End Art and Wine Festival Poster at a cost not to exceed $200.00 and to have it displayed in the Cameron Club.
Moved by: Nick Giannotti
Seconded: Tom McClimon
For: All
Against: None
MOTION PASSED

Move To: Not charge any fees to the three (3) Condo Sub-Associations for use of their site manager's office space in the Cameron Club for the year of 2012.
Moved by: Don Buch
Seconded: Nick Giannotti
For: All
Against: None
MOTION PASSED

Move To: Approve the proposal totaling $14,129.00 from Shenandoah Landscape Services using Option # 2 in part 1 of the proposal for drainage repairs in the three common areas contingent upon the contractor providing a one (1) year warranty on all parts, labor and repairs.
Moved by: Michael Kidwell
Seconded: Tom McClimon
For: All
Against: None
MOTION PASSED

Move To: Approve the WTS International contract for fitness center management totaling $143,868.00 for one year.
Moved by: Tom McClimon
Seconded: None

Move To: Approve the three-year WTS International proposal for fitness center management totaling $143,868.00 for 2012, 2013, and 2014.
Moved by: Don Buch
Seconded: Nick Giannotti
For: Michael Kidwell, Philip Ludvigson
Against: Tom McClimon
MOTION PASSED

Move To: Approve the proposed renovation of the Cameron Club not to exceed the cost of $900,000 as submitted by Rust|Orling to be funded through the Repair and Replacement Reserves.
Moved by: Tom McClimon
Seconded: Michael Kidwell
For: Tom McClimon, Michael Kidwell, Don Buch, Philip Ludvigson
Against: Nick Giannotti
MOTION PASSED

Move To: Approve the FY 2012 Operating Budget totaling $2,237,554.00 as submitted.
Moved by: Don Buch
Seconded: Nick Giannotti
For: Don Buch, Nick Giannotti, Tom McClimon, Michael Kidwell, (Alvin Boone via speaker phone 10:20 p.m.)
Against: Philip Ludvigson
MOTION PASSED

The Board reviewed materials regarding Capital Improvement requests and made the decision to defer until Management can confer with Ted Hart, Morgan Stanley Smith Barney, about the liquidity of investments.

Move To: Approve the NV Roofing proposal totaling $4,950.00 for the repair of the Clubhouse flat roof membrane to be completed in accordance with the Cameron Club Renovation project.
Moved by: Nick Giannotti
Seconded: Michael Kidwell
For: All
Against: None
MOTION PASSED

COMMUNITY MANAGER'S REPORT
Airielle Hansford, Community Manager, gave her latest report to the Board.

- **Annual Meeting Information**
  The Meet the Candidates mailing, which included the Candidate bios, proxies with instruction and Meeting Agenda, was sent out on October 7, 2011. Management has been working to solicit gift certificate donations for raffle prizes. The Board has agreed to provide one month's quarterly dues to the Grand Prize for the meeting. The Annual Meeting will be held on Monday, November 7, 2011 at 7:15pm in the Samuel Tucker Elementary School cafeteria.

- **Pool Management Contracts**
  Community Pool Services pool management contract will be up at the end of this year. In 2010, the Board of Directors approved a Contract Procurement Policy which requires the Association to go out to bid for any contract with an annual cost of $50,000 or more. We have solicited proposals from five (5) contractors. The Cameron Club Facilities Committee will be meeting with the pool contractors at their November meeting. The proposal will be forwarded on to the Board following Committee review.

- **Holiday Schedule**
  Thanksgiving Holiday:
  Community Management Corporation and the on-site Management office will be closed on Thursday, November 24 and Friday, November 25, 2011.
  The Fitness Center will close at 6:00pm on Thanksgiving Eve and will be closed on Thursday, November 24, 2011.

  Christmas Holiday:
  Community Management Corporation and the on-site Management office will be closed on Monday, December 26, 2011 in observance of Christmas Day.
  The Fitness Center and Cameron Club will be closed on Saturday, December 24 and Sunday, December 25, 2011.

New Year's Holiday:
Community Management Corporation and the on-site Management office will be closed Monday, January 2, 2012 in observation of New Year's Day. The Fitness Center and Cameron Club will close at 6:00pm on Saturday, December 31, and be closed on Sunday, January 1, 2012.

- **Miscellaneous**
  Following the October meeting, I will complete the 2012 assessment coupons. This will provide sufficient time to ensure the coupons will be mailed before the first of the year. I will begin working on the 2012 Management Annual Calendar. This calendar includes the dates for Committee and Board meetings, vendor related event, budgeting and annual meeting schedules, etc. This calendar will be provided to the Board once it is complete.

Move To: Enter Executive Session at 10:30 p.m.
Moved by: Don Buch
Seconded: Michael Kidwell
For: All
Against: None
MOTION PASSED

Move To: Exit Executive Session at 10:55 p.m.
Moved by: Don Buch
Seconded: Nick Giannotti
For: All
Against: None
MOTION PASSED

Move To: Approve Susan Birchler as the recipient of the Mark Pillow Community Spirit Award.
Moved by: Don Buch
Seconded: Tom McClimon
For: All
Against: None
MOTION PASSED

Move To: Waive $100.00 in covenants violation fees associated with a violation of the Design & Maintenance Standards regarding a portable basketball hoop. Account # 0034-1782.
Moved by: Nick Giannotti
Seconded: Philip Ludvigson
For: Nick Giannotti, Philip Ludvigson, Tom McClimon, Don Buch
Against: Michael Kidwell
MOTION PASSED

On behalf of the Board of Directors, Tom McClimon thanked Don Buch and Mike Kidwell for their years of service to the CSCA Board of Directors.

Move To: Adjourn at 11:00 p.m.
Moved by: Nick Giannotti
Seconded: Tom McClimon

For: All
Against: None
MOTION PASSED

Minutes prepared by: Mary Meghan Flynn, Assistant Community Manager, CMC