MEETING MINUTES

1. Call to Order
   a. The meeting was called to order at 7:32 pm.
   b. Members present: Chair Jeff Gathers, Kyle Bateman, Aldo D'Ottavio, Tim McLaughlin, Ted Pickett, Bryan Schneider.
   c. Member Absent: Mahl Avila
   d. Board Liaison Present: Megan Brock, Treasurer

2. Approval of Agenda
   a. The agenda was approved unanimously.

3. Approval of Minutes
   a. The members discussed the process for reviewing draft meeting minutes. It was decided by consensus that first drafts would be provided to the entire committee with changes and comments invited. In addition, the Chairman would afford an opportunity for review and discussion of his own comments before making the final decision on the content of the minutes.
   b. The June meeting minutes were approved (Kyle Bateman abstained due to his absence from the prior meeting).

4. Resident Open Forum
   a. There were no residents present.

5. Review of Financial Reports
   a. June 30, 2016 Financials
      i. Discussion about the pre-paid expenses (~$29,000 increase). The significance of this account was discussed in general, but details on the specific prepaids as of June 30 were not readily available. No further action was proposed.
      ii. Discussion about ending the practice of using an off-duty police officer to issue parking tickets. Alternative staffing options are being explored by management and the ARC.
      iii. Discussion about the potential use of a credit union account to provide higher interest rates (up to 2%) than the money market accounts offered by our current banking partners. The members were not clear if the Community could open an account with a credit union. It is also unclear if there are administrative and/or contractual issues with investing funds
with banks other than Premier Pacific or Morgan Stanley. A Board subcommittee, assisted by Ted Pickett, will be researching these questions.

iv. Discussion about the sweep feature for the MMA account with Morgan Stanley, and whether use of this feature is maximizing the security of the Community’s funds above federal government guarantee limits per account.

v. The Greenvest proceeds are still impacting the balance sheet until the Board decides how to direct the funds (currently shown as miscellaneous income and causing a significantly higher than normal balance of cash in the operating account).

6. Old Business
   a. Reserve Study Update
      i. Condo Association Cost Sharing = Management has determined that only two condo associations have been budgeting for asphalt repaving expenses. Jan Ward (VP for CMC) will work with Board representatives to make a final recommendation on how to assess the respective condo associations for their share of the expenses. We hope to have a decision in time to support other efforts to finalize the reserve assessment rates in the 2017 budget.
      
      ii. Inflation Assumption = The Reserve Study first draft assumes 3%. This compares to a 2% assumption in the 2013 study. The 3% rate is arguably higher than necessary in light of long-term CPI increase rates.

      iii. Asphalt Repair Timeline = The new reserve study projects the overlay to begin in 2021 (which differs from the projection of 2018 in the prior study). The City of Alexandria currently plans to do an overlay of the City streets (within Cameron Station) as early as 2019. Members note the likely advantages of coordinating CSCA’s efforts with the City’s and recommends that the Board begin those discussions as soon as practical.

      iv. Brick Sidewalks = Robert Burns (CAC Chair) is working with Bette Sanft to confirm the costs to replace sections of the brick sidewalks. The committee discussed a “pilot” approach whereby one section is replaced first in order to evaluate both the process and the results. The Reserve Study calls for improvements to the sidewalks at the average rate of 5% per year (based on a 20-year average life expectancy for brick paver walkways).

      v. Tree Replacement Funding = The Board needs to budget significant funds for replacement of diseased, or otherwise failing, trees in common areas. Practice has varied from year to
year between use of the operating budget and inclusion in the replacement reserve. The key point is to avoid using *neither* approach as was the case in 2014.

b. Proceeds from Legal Action: Board Timeline  
   i. There seems to be increased interest in the idea to use the proceeds to offset increases in next year’s HOA assessments. The committee discussed opinions submitted by Mike Johnson and Mindy Lyle, the added competition from new neighboring communities, etc. The FAC generally discourages “extraordinary measures” to offset increases if they increase the chance of larger-than-normal increases in subsequent years.

7. New Business  
   a. 2017 Budget/Assessment Increase Issues  
      i. August 23 is the first budget formulation meeting (deadline for the committees to submit their proposals is July 25).  
      ii. Discussion about certain budget line items that continue to inflate, and prior times when the Board managed to cut expense budgets in order to provide relief of assessments. The long-term expenses addressed by the Reserve Study will continue to put pressure on the assessments.
   b. Draft Audit for Fiscal Year Ending 12/31/2015  
      i. The draft audit was not provided to the Committee until just before the meeting, and there was not enough time to review and discuss. It will be on the agenda for August.

8. Adjournment  
   a. The meeting was adjourned at 9:33 pm.