1. Call to Order
   a. The meeting was called to order at 7:07 pm.
   b. Members Present: Chairman Jeff Gathers, Aldo D’Ottavio, Tim McLaughlin, Ted Pickett, Bryan Schneider.
   c. Members Absent: Mahl Avila, Kyle Bateman
   d. Board Members Present: Megan Brock, Treasurer; Jon Dellaria, Vice President; Michael Johnson, President.

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

3. Approval of Minutes
   a. The August 25, 2016 minutes were approved unanimously.

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

5. Review of Financial Reports
   a. Because of the unusually early meeting date, no new financial data were available for review.

6. Old Business
   a. 2017 Budget Recommendations
      i. The committee met for approximately three hours to review the first-draft 2017 fiscal year budget for the Association, as presented by the Community Manager to a joint Board/FAC meeting on August 23. This draft (“Draft 1”) incorporated the “budget requests” of each committee without modification.
      ii. As a point of departure, the committee chair distributed a worksheet (Attached Exhibit 1) recording comments and recommendations that had been offered to date by FAC members in regard to individual line items in Draft 1. With a few exceptions, recommendations were based on apparent inconsistency between actual income/expenditures in the 2013-2015 fiscal years and the corresponding proposed allowance for 2017. Specific dollar recommendations were listed with attribution (JLG and TWP); more general comments were summarized without attribution.
Specific recommendations included the following (by CMC Account Number):

**Income Accounts**

1. 4250 (Facilities Passes/Guest Fees) – reduce by $400
2. 4260 (Resale Processing Fees) – reduce by $2,000
3. #### (Event Sponsorships) – add new account at $10,000

**Expense Accounts**

1. 5020 (Board Support) – reduce by up to $1,100
2. 5080 (Annual Meeting Expenses) – reduce by up to $1,000
3. 5210 (Printing & Copying) – reduce by $1,000
4. 5215 (Postage) reduce by $4,000
5. 5225 (Newsletter Services) – reduce by $3,750
6. 6422 (Decals & Parking Passes) – reduce by $2,000
7. 6025 (Water Service) – reduce by $4,000
8. 6160 (Tree & Shrub Maintenance) – reduce by $25,000*
9. 6605 (General Maintenance Supplies) – reduce by $3,000
10. 6424 (HVAC Service) – reduce by $1,500
11. 6436 (Special Cleanings) – reduce by $2,500
12. 6515 (Building Repair & Maintenance – reduce by $10,000 to $12,000
13. 6525 (Community Center Improvement – reduce by $800
14. 6700 (Pool Repair & Maintenance) – reduce by $1,000
15. 6710 (Pool Supplies, including Tiki Bar) – reduce by $5,500
16. 6760 (Street Repair & Maintenance) – reduce by $2,000
17. 7025 (Legal Services – Collections) – reduce by $6,000
18. 9934 (Recreation Equipment) – reduce by $1,500
19. 6035 (Trash & Recycling Service) – increase by up to $32,000
20. 6690 (Pet Stations) – restore 2016 amount of $7,830

* This large suggested reduction in the operating budget is based on the premise that the cost of tree replacements would again be financed through the replacement reserve beginning in 2017 – as was the practice for several years prior to 2014. The scope of the reserve study is being expanded accordingly.

iii. The remainder of the Budget discussion was tied roughly to attached Exhibit 2, an inventory of additional issues raised by members prior to the meeting – but without an explicit budget adjustment proposed. Some proposed improvements or acquisitions, e.g., in connection with the pool or fitness center, were endorsed in concept. However,
might these projects or purchases be spread over two or more years to soften the effect on the 2017 budget.

iv. To summarize the conclusions drawn from the budget discussion:
   1. The Draft 1 budget indicated an increase over the 2016 budget of $80,612, or 3.3%.
   2. With the proposed changes, the required increase would reduce to $13,773, or 0.6%.
   3. One outstanding budget element that has not been finalized as of this meeting is the contribution to the Replacement Reserve ($318,200 in the initial reservist’s report as of April 2016). The chairman noted that there are several reasonable adjustments to the assumptions underlying the initial projection that would further reduce the required income adjustment. These include, but are not limited to, the transfer of owners’ equity into the reserve corresponding to a portion of the “Greenvest proceeds.” These discussions will gain momentum in the weeks immediately following this meeting.

7. New Business
   a. No issues presented.

8. Adjournment
   a. The meeting was adjourned at 9:57 pm.