The regularly scheduled monthly meeting of the Board of Directors for March was held on Tuesday, February 24, 2015. The meeting was called to order at 7:01 p.m. by Michael Johnson at the Cameron Club located at 200 Cameron Station Blvd., Alexandria, VA 22304, with a quorum present.

**Board Attendance**
- Michael Johnson  President
- Igor Dubinsky  Vice President
- Paul Rocchio  Secretary
- Jon Dellaria  Director
- Megan Brock  Treasurer
- Donna Kenley  Director

**Others Attending**
- Colleen Hairston  Community Manager, CMC
- Meghan Marville  Architectural Covenants Administrator, CMC
- Jan Ward  Vice President, HOA Division Director, CMC
- Todd Sinkins  Rees Broome, PC, CSCA Attorney
- Mark Graham  Rees Broome, PC, Attorney

**APPROVE AGENDA**
Move To:  Approve the agenda as amended by tabling the motions for 2015 Brick Paver Repairs and the Refuse Specialists Agreement.

Moved by: Mike Johnson  
Seconded: Igor Dubinsky  
For: All  
Against: None  
MOTION PASSED

**GUEST SPEAKER**
Deputy Chief Reyes, recapped the alleged robbery on Cameron Station Boulevard in January. The police speculate that it was a drug deal gone badly, and perhaps the man was pushed out of a moving car and while they believe he was a victim of a crime, that there is no indication that he was on CS property as he was unable to point out where he was at the time. Intermittent package thefts continue to be reported and residents are encouraged to track their packages online and make arrangements for them to be delivered to someone who will be home to receive it. There was one larceny of a cell phone, the window of a car was broken, and another larceny incident in which an iPad and iPod were stolen but there was no damage to the vehicle indicating that it was likely unlocked at the time of the theft.
RESIDENTS’ OPEN FORUM
No residents present.

APPROVAL OF MINUTES
Move To: Approve the minutes from the January 27, 2015 Board of Director’s meeting as presented.
Moved by: Donna Kenley
Seconded: Megan Brock
For: All
Against: None
MOTION PASSED

FINANCIAL REPORT FOR DECEMBER 2014 & JANUARY 2015

This summary reflects the unaudited FY14 financial entries as of December 31, 2014 - the last month of FY14. Year-end financials are typically issued later than usual to allow for year-end entries. The December 2014 financials were received on Friday, January 23, 2015 and the Financial Statement Summary was not available for review by the Financial Advisory Committee or the Board of Directors at their January 2015 meetings. This Summary is being issued to the FAC on the above-noted date for review at its February 2015 meeting. It will be provided to the Board on Friday, February 20, 2015 for review at its February meeting.

EXECUTIVE SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash and Investments</td>
<td>$1,712,889.27</td>
<td>$2,333,198.03</td>
<td>($13,178.97)</td>
</tr>
<tr>
<td>YTD Income</td>
<td>$2,384,403.53</td>
<td>$2,346,377</td>
<td>$38,026.53</td>
</tr>
<tr>
<td>Adjusted YTD Expense (See Exp. Acct. 5302)</td>
<td>$2,384,403.53</td>
<td>$2,346,377</td>
<td>$38,026.53</td>
</tr>
<tr>
<td>Adjusted YTD Net Income, surplus/(loss)</td>
<td>($51,205.50)</td>
<td>($51,205.50)</td>
<td>(51,205.50)</td>
</tr>
</tbody>
</table>

2014 Loss Note: The 2014 loss is directly attributable to the cost of snow removal service required as a result of the frequent snowfalls and below freezing temperatures that occurred between January and March, 2014, resulting in expense account 6442 - Snow Removal Services ending FY14, $48,105.25 over its annual budget of $70,000. The loss can also be attributed to the reclassification of expenses, originally coded to reserves, in the amount of $15,099.82 to the operating budget in December 2014. These expenses were either not specifically provided for in the operating budget or they were replacement items not scheduled for FY14 in the reserve study. Whether coded to reserves or operating, the expenses had the same overall impact on the Association’s total cash and investments balance. An asterisk (*) has been placed next to these reclassifications below for easy reference.

Investments:
On 12/31/14 the Association had operating and investment funds totaling $1,712,889.27. The Pacific Premier Bank (PPB) operating account had a balance of $298,467.97. The PPB Google Ads account had a balance of $1,999.11. The PPB money market had a balance of $65,997.89 and the Morgan Stanley Smith Barney (MSSB) money market account had a balance of
$250,396.00. There was $1,091,000.00 invested in laddered CDs with MSSB. Finally, there was $1,000.00 in the petty cash account.

**Balance Sheet:**
As of 12/31/14 the Residential Assessments Receivable balance was $27,620.55. This reflects a delinquency rate of approximately 1.20%, which is below the industry standard of 5%. Accrued Reserves totaled $1,064,097.73 and were fully supported by cash and investments. Owners’ Equity*, had a balance of $377,345.67, of which $323,680.91 was supported by cash and investments. As part of the FY14 budget, the Board of Directors opted to use $23,650.00 of prior year equity to help offset the increase in assessments for FY14. As of 12/31/14, $0.00 had been accrued over 12 months – please see balance sheet item 3025 – Use of Prior Year Equity and income statement item 4815 – Prior Yr Income/Deficit for further information. Owners’ Equity supported by cash and investments was 14.4% of the Association's annual assessments. This signifies that the Association is in a healthy financial position. *The Association's Unappropriated Prior Year Owners’ 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. The Capital Reserves account totaled $17,423.27.

**Income Statement Report:**
The Income Statement Report reflected year-to-date income of $2,333,198.03, which was $13,178.97 under the budget of $2,346,377.00. Income items that had a variance of more than $1,500.00 of their YTD budget follow.

- **Resale Processing Fees, #4260**, was $2,425.52 under its annual budget of $10,000. The CMC corporate office indicated many properties ended the year under budget in this item due to sluggish sales in FY14. The historical actuals for this item are: 2013 =$14,800, 2012 = $10,800, 2011 = $11,100 and 2010 = $10,200.
- **Website Income, #4265**, was $2,336.54 over its annual budget of $1,500. The funding level of this item was increased in the FY15 budget.
- **Room Rental Fees, #4400**, was $4,120 over its annual budget of $4,000. The funding level of this item was increased in the FY15 budget.
- **Legal Reimbursements, #4720**, was $5,881.06 over its annual budget of $7,500. This item directly relates to expense item 7025 - Legal Services – Collections which was also over its annual budget by $6,279.55.
- **Prior Yr Income/Deficit, #4815**, was $23,650 under its annual budget of $23,650. As part of the FY14 budget, the Board of Directors opted to use $23,650.00 of prior year equity to help offset the increase in assessments for FY14. 1/12th of that amount was accrued each month during FY14 and then in December the amount accrued through November - $21,679 was reversed and no accrual was made for December. This is the correct method of accounting for this item so that taxes are not paid again on the owners’ equity income that was shown – via accrual - as income through the year (which was already taxed in previous years).
Recovery of Bad Debt, #4825, was $2,557.41 over its annual budget of $0.00, which was attributable to a one-time entry that is completed each December based on the amount of Balance Sheet item 1530 - Allowance for Doubtful Accounts versus the homeowner accounts with balances that exceed the average annual assessment amount.

Year-to-date expenses totaled $2,389,809.19, which was $43,432.19 over the budget of $2,346,377.00. Expense items that had a variance of more than $1,500.00 of their YTD budget follow.

Collection Charges, #5025, was $2,886.11 over its annual budget of $7.000. This item was reduced in the FY15 budget, as related CMC charges were reduced in the 2015-2019 management contract.

*Computer Network/C3, #5040, was $3,019.36 over its annual budget of $4,850. The variance can be attributed to the cost and installation of 4 replacement computers @ $3,895.61. Although this item does not provide for replacement computers, the reserve study did not have an allowance for replacement in FY14 and the FAC indicated the cost should be coded to the operating budget. Please see attached (1-3).

Parking Enforcement, #5070, was $2,110 under its annual budget of $13,650. Although officers worked extra hours to make up for hours not worked earlier in the year, this item ended the year under budget.

Postage, #5215, was $3,747.70 under its annual budget of $15,000.

Decals & Parking Passes, #6422, was $2,333.65 under its annual budget of $5,000.

Web Site Maintenance, #5115, was $3,842.88 under its annual budget of $6,000.

Newsletter Services, #5225, was $3,690.23 under its annual budget of $17,000. This item ended the year under budget partially due to reduced costs of layout services now being provided by GAM. Funding for this item was reduced slightly in the FY15 budget.

Other Communications, #5316, was $3,828.56 under its annual budget of $8,100.

Administrative Salaries, #5302, was *$9,373.48 over its annual budget of $267,500. This variance - 3.50% - can be attributed to overlapping payroll/training of the administrative and covenants administrator positions, as well as the holiday gifts given to the staff in December. Related account 5340 – Payroll Taxes/Benefits/Costs ended the year $1,127.41 under its annual budget of $80,250. *This is the adjusted variance. The 12/2014 Income Statement reflects a variance of $14,779.14 – a difference of $5,405.66. Subsequent to closing of the 12/2014 financials, it was determined that payroll in the amount of $5,405.66 for CS’s previous covenants administrator who left CS in 11/2014 for another CMC property, was erroneously billed to CS. A reimbursement will be processed in 2/2015 and CMC has advised the Association’s auditor of the error and reimbursement. The reimbursement will be reflected in the adjusted audit numbers and as a note.

Trash and Recycling Service, #6035, was $2,084.40 under its annual budget of $284,000.

Water Service, #6025, was $3,731.19 under its annual budget of $30,000.

Flower Rotation, #6150, was $5,251.25 under its annual budget.

Turf Treatment and Enhancements, #6155, was $5,678.00 under its annual budget of $15,000.
- **Tree & Shrub Maintenance**, #6160, was $19,752 or *$20,952/adjusted* over its annual budget of $26,775. This item was over budget as the current reserve study does not provide funds for tree replacement which is now being fully funded through the operating budget. (The previous study provided $26,000 for tree replacement.) Funding for this item was increased accordingly in the FY15 budget. *Please see Linear Park Landscape Maint - 6685, which was $1199.50 over its annual budget of $16,686 due to a $1200 expense for this item that was erroneously coded to it.*

- **Irrigation System Contract**, #6299, was $4,838.00 over its annual budget of $12,000. This item ended the year over budget due to miscellaneous repairs needed during the summer/early fall.

- **Snow Removal Services**, #6442, was $48,105.25 over its annual budget of $70,000 due to frequent snowfalls and below freezing temperatures between January and March, 2014.

- **Fountain Repair & Maintenance**, #6585, was $1,960 under its annual budget of $3,500. Funding for this item was not reduced in the FY15 budget to allow for potential costs related to use of a gas or electric cart, if purchased in FY15.

- **General Repair & Maintenance**, #6600 was $4,195.01 over its annual budget of $3,500. The variance can be attributed to the reclassification of three expenses totaling $4,817.41 from reserves to this item as per the FAC. Please see attached (4).

- **General Maintenance Supplies**, #6605, was $2,063.51 under its annual budget of $7,500. Funding for this item was not reduced in the FY15 budget to allow for potential costs related to use of a gas or electric cart, if purchased in FY15.

- **Lighting Supplies/Repair & Maint.**, #6640, was $7,716.13 over its annual budget of $30,000. The historical actuals for this item are increasing: 2013 =$33,522, 2012 = $28,169, 2011 = $25,968.

- **Linear Park Landscape Maint.**, #6685, was $1199.50 over its annual budget of $16,686 due to a $1,200 coding error. This amount should have been coded to Tree & Shrub Maintenance, #6160.

- **Engineering Services**, #7010, was $2,000 under its annual budget of $2,000 as no expenses were incurred.

- **Legal Services – Collections**, # 7025, was $6,279.55 over its annual budget of $21,000. This item directly relates to income item Legal Reimbursements, #4720, was $5,881.06 over its annual budget of $7,500.

- **Legal Services – General Counsel**, #7030, was $16,283.50 under its annual budget of $36,000. Funding of this item was decreased in the FY15 budget from $36,000 to 30,672. The historical actuals for this item are: 2013 =$23,149, 2012 = $38,667, 2011 = $35,374.

- **Clubhouse Utilities**, #6075 was $4,762.16 over its annual budget of $35,100. Management is researching this variance for further explanation.

- **Building Repair & Maintenance**, #6515, was $4,196.31 over its annual budget of $3500. The variance can be attributed to the reclassification of three expenses totaling $6,386.80 from reserves to this item as per the FAC. Please see attached (5).

- **Umbrella**, #5420, was $2,833.24 over its annual budget of $5,760 due to a change in insurance providers and coverage effective 4/1/2014. Funding of this item was increased in the FY15 budget.

- **Income Tax**, #9000, was $4,200 under its annual budget of $10,200. Funding of this item was reduced in the FY15 budget from $10,200 to $5,000 - based on the actual liability for
FY13 @ $4,285 and estimated deposits scheduled - per Goldklang - for FY14 @ $4,000. Historical actuals do not reflect audit adjustments.

As of 12/31/14, there was an overall negative variance between YTD income and expenses in the amount of $56,611.16, which was $56,611.16 over the budget amount for Net Income/Loss of $0.00. Please let me know if you have any questions regarding this information.

This summary reflects the unaudited FY15 financial entries as of January 31, 2015.

**EXECUTIVE SUMMARY**

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<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
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</thead>
<tbody>
<tr>
<td>Total Cash and Investments</td>
<td>$1,851,328.57</td>
<td>$1,979,655.18</td>
<td>$1,264.62</td>
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<tr>
<td>YTD Income</td>
<td>$199,229.80</td>
<td>$186,706.91</td>
<td>($5,832.28)</td>
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<tr>
<td>YTD Expenses</td>
<td>$180,874.63</td>
<td>$11,258.27</td>
<td>$7,096.90</td>
</tr>
<tr>
<td>YTD Net Income, surplus/(loss)</td>
<td>$18,355.17</td>
<td>$11,258.27</td>
<td>$7,096.90</td>
</tr>
</tbody>
</table>

**Investments:**
On 1/31/15 the Association had operating and investment funds totaling $1,851,328.57. The Pacific Premier Bank (PPB) operating account had a balance of $435,543.96. The PPB Google Ads account had a balance of $1,999.11. The PPB money market had a balance of $66,011.90 and the Morgan Stanley Smith Barney (MSSB) money market account had a balance of $251,213.22. There was $1,091,000.00 invested in laddered CDs with MSSB. Finally, there was $1,000.00 in the petty cash account.

**Balance Sheet:**
As of 1/31/15 the Residential Assessments Receivable balance was $120,706.00 or $43,241.21 (less first quarter condominium association payments received in early 2/2015). This reflects a delinquency rate of approximately 5.20% or 1.90% - the acceptable industry standard is 5%. Accrued Reserves totaled $1,079,369.73 and were fully supported by cash and investments. Owners’ Equity*, had a balance of $377,345.67, of which $240,440.83 was supported by cash and investments. Owners’ Equity supported by cash and investments was 10.4% of the Association's annual assessments. Auditors recommend that it is healthy for Associations to have between 10-20% of the Association's annual assessments in this line item.*The Association's Unappropriated Prior Year Owners’ 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. The Capital Reserves account totaled $17,423.27.

**Income Statement Report:**
The Income Statement Report reflected year-to-date income of $199,229.80, which was $1,264.62 over the budget of $197,965.18. Income items that had a variance of more than $1,500.00 of their YTD budget follow.

- Newsletter Advertising, #4245, was $3,355.00 over its budget of $0.00. This item is spread in the months of February, April, June, October and December.
Year-to-date expenses totaled $180,874.63, which was $5,832.28 under the budget of $186,706.91. Expense items that had a variance of more than $1,500.00 of their YTD budget follow.

- **Decals & Parking Passes**, #6422, was $3,926.26 over its budget of $416.50, due to the purchase of 2015 decals and passes. This account is spread evenly and will level out during FY15. The spread should be adjusted in FY16, to show most costs in January.
- **Events & Awards**, #5200, was $2,120.70 under its budget of $2,397.50.
- **Snow Removal Services**, #6442, was $3,095.50 over its budget of $14,000.
- **Lighting Supplies/Repair & Maint.**, #6640, was $2,242.47 under its budget of $2,500.00.
- **Legal Services – Collections**, #7025, was $1,750.00 under its budget of $1,750.00. January’s invoice will be paid in February.
- **Legal Services – General Counsel**, #7030, was $2,556.00 under its budget of $2,556.00. January’s invoice will be paid in February.
- **Fitness Equipment Repair**, #6570 was $1,708.25 over its budget of $500.00. A number of treadmills (coincidentally) required repair in January.

As of 1/31/15, there was an overall positive variance between YTD income and expenses in the amount of $18,355.17, which was $7,096.90 over the budget amount for Net Income/Loss of $11,258.27. Please let me know if you have any questions regarding this information.

Additionally the Board requested CMC look into the option of a refund for a portion of the training salary overages for 2014.

**PRO-FIT JANUARY 2015 REPORT:**
Rich Mandley reported that there has been a seamless transition and that the classes have been very popular, especially the boot camp, with high attendance rates. The gym averaged about 200 people per day for January and all the equipment is working properly except the rebounder which will be repaired shortly. They are working on the website so residents may sign up for classes online. There have been a lot of sign ups for the new email blast and March 21 is the tentative date for a Fitness Center Open House.

**OFFICERS’/COMMITTEE REPORTS**

**Architectural Review Committee**
ARC will discuss the parking policy at their next meeting and discuss thoughts with the BOD at its March meeting.

**Activities and Events Committee**
The Super Bowl party was very successful with 43 residents in attendance and positive feedback, as well as the Chinese New Year party and the Poker Night. There are two new volunteers and an application for a new member. A&E Committee members are encouraged to
attend a free seminar provided by the state regarding alcohol distribution so that proper protocol may be properly enforced at events.

**Move To:** “I move to approve the appointment of Al Luna as Vice President of the Activities and Events Committee.”
Moved by: Igor Dubinsky
Seconded: Donna Kenley
For: All
Against: None
**MOTION PASSED**

**Common Area Committee**
The spring flowers have been chosen, they will be hot pink, white and blue. Recycling toters are being considered depending on negotiations with ADS. The City of Alexandria and CSCA management and Board president met to discuss care responsibilities for Linear Trail. The City is drafting a related maintenance agreement.

**Cameron Club Facilities Committee**
No report.

**Communications Committee**
Would like to have a BOD comment section in future issues of The Compass to illustrate important meeting bullet points. The new website launched around the first of this month and is amazing.

**Financial Advisory Committee**
Recently spoke about YE financials and reclassifications regarding expenses from the Operating Budget versus the Reserve Fund. They are waiting for quotes to repair patches in the streets and sidewalks.

**EXECUTIVE SESSION**
**Move To:** Enter Executive Session at 7:52 p.m. to discuss special issue with CSCA’s attorney and delinquent accounts.
Moved by: Igor Dubinsky
Seconded: Megan Brock
For: All
Against: None
**MOTION PASSED**

Discussion of legal issues with CSCA attorneys.

**Move To:** End Executive Session at 9:46 p.m.
Moved by: Jon Dellaria
Seconded: Igor Dubinsky
For: All
Against: None
MOTION PASSED

Move To: Allow President Mike Johnson authorization to approve or disapprove the cost of a demand letter from Rees Broome as he deems reasonable.
Moved by: Donna Kenley
Seconded: Paul Rocchio
For: All
Against: None
MOTION PASSED

OLD BUSINESS
City of Alexandria Update
There is talk of building a Brandywine Senior Living Center at the back of the community, where the Midas is currently located. Additionally there is a possibility of another community of 72 units - we will consider inviting them to be a part of Cameron Station.

MATTERS FOR BOARD DECISION
a. 2015 Tree Trimming
Move To: “I move to approve Lancaster Landscapes, Inc. proposal #24622 totaling $24,000.00 for 20 tree trimming days in FY15.”
Moved by: Donna Kenley
Seconded: Igor Dubinsky
For: All
Against: None
MOTION PASSED

c. 2015 Fountain Maintenance
Move To: “Approve Lancaster Landscaping Inc. proposal #24201 totaling an amount not to exceed $2,112.00 for fountain start-up, maintenance and winter shutdown in FY15.”
Moved by: Donna Kenley
Seconded: Paul Rocchio
For: All
Against: None
MOTION PASSED

MATTERS FOR BOARD REVIEW AND INFORMATION

Management Report
The Board provided was with a survey from Ad Hoc Pool Committee which was submitted after the meeting package was issued.
Annual Re-Registration: As of this writing, residents of approximately 694 (was 465 on 1/23/15) homes have re-registered.

Website: The new website launched on 2/1/2015 and management continues to work to update all sections of the site. The Communications Committee seems pleased with the new site and payment 2 of 2 has been remitted to LMK Web Design and Consultant, the contracted provider.

Shuttle Bus Trial Period Schedule Adjustment: This project still needs to be initiated by management and the trial should commence in early March with advanced communication to riders.

ADJOURNMENT
Move To: Adjourn the meeting at 10:27 p.m.
Moved by: Igor Dubinsky
Seconded: Paul Rocchio
For: All
Against: None
MOTION PASSED

Respectfully submitted by: Meghan Marville, Covenants Administrator, CMC