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

Tuesday, January 22, 2013

The regularly scheduled monthly meeting of the Board of Directors for January was held on Tuesday, January 22, 2013. The meeting was called to order at 6:30 p.m. by Mindy Lyle at the Passport MINI of Alexandria, 5990 Duke Street, Alexandria, Virginia.

Board Attendance: Mindy Lyle-Vice President; Tom Mcclimon- Secretary; Robert Duncan-Treasurer; Alvin Boone-Director; Michael Johnson-Director

Members Absent: Nick Giannotti- President

Others Attending: Mary Flynn, Assistant Community Manager, CMC; Jan Ward, Division Director, CMC

Move To: Approve the January 22, 2013 meeting Agenda.
Moved by: Michael Johnson
Seconded: Robert Duncan
For: All
Against: None
MOTION PASSED

Guest Speaker
Deputy Chief Blaine Corle, Alexandria Police Department, updated the Board on recent crime incidents in the area and also reported that arrests had been made in connection with the car break-ins at the 400 Condominium building. Deputy Chief asked that Management send out an email blast to residents that lived in that building to contact him directly if they had experienced a car break-in in an effort to return stolen items that were recovered.

RESIDENTS' OPEN FORUM
No residents were present for Open Forum

Move To: Approve the minutes from the December 11, 2012 Board of Director’s meeting.
Moved by: Michael Johnson
Seconded: Alvin Boone
For: All
Against: None
MOTION PASSED

FINANCIAL REPORT FOR NOVEMBER AND DECEMBER 2012

NOVEMBER 2012 REPORT
On November 30, 2012 the Association had operating and investment funds totaling $2,375,203.77. The First Association Bank* operating account had a balance of $327,396.87. The First Association Bank Google Ads account had a balance of $1,196.36. Based upon this statement, the Morgan Stanley Smith Barney Money Market account had a balance of $475,085.27 and the First Association Bank Money Market had a balance of $200,235.99. There is $1,362,000.00 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 November 30, 2012 was $31,720.03. This reflects a delinquency rate of approximately 1.494%, which is below the industry standard of 5%. Accrued Reserves total $1,614,738.99 and are fully supported by cash and investments. Owner's Equity**, which has a balance of $327,205.67, is also supported by cash. Owner's Equity is currently 15.4% of the Association's annual assessments. This signifies that the Association is in a healthy financial position.

The Capital Reserves account totals $31,667.47 and there is the same amount in approved Capital Improvements projects to be funded from this account.

**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 $2,042,957.01 which is $6,509.99 below the budgeted amount of $2,056,002.00.

The year-to-date expenses total $1,921,424.89, which is $134,577.11 below the budgeted amount of $2,056,002.00. Below are the line items that have a variance of more than $1,500.00 of the year-to-date budgeted amount.

- **Club Phone/Cable/Internet**, line item #5003, was $1,928.36 below the year-to-date budgeted amount, as costs have been less than anticipated.
- **Postage**, line item #5010, was $3,510.82 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.
- **Printing/Copying**, line item #5015, exceeds the year-to-date budgeted amount by $2,578.00. This is a mistake in which the 2013 Parking Passes were coded to this line item instead of line item #5075-Decals & Parking Passes, which has a year-to-date budgeted amount of $4,500.00. This will be corrected in the Financials to reflect the correct line item and amount.
- **Architectural Comprehensives**, line item #5079, was $1,934.29 below the year-to-date budgeted amount. During the preparation of the 2012 budget the Board approved the following schedule for comprehensive inspections: one 4-hour day in January and February to assist with follow-up inspections only and 18 hours each month for inspections or three 6-hour days March through December. Management will work with the CMC Architectural Department to ensure that this schedule is being followed.
Account setup/DD/Coupons, line item #5106, was $5,441.00 below the year-to-date budgeted amount. This is due to the 2013 coupons not being printed, sent out, and charged until December. This will level out in the December Financials.

Temp Desk Coverage, line item #5421, exceeds the year-to-date budgeted amount by $10,250.00. The front desk was manned by a temp employee while Management searched for a new Administrative Assistant. This position is now filled.

Legal Fees-General Counsel, line item #5101, exceeds the year-to-date budgeted amount by $2,288.30.

Engineer Consultation, line item #5130, was $3,333.00 below the year-to-date budgeted amount, as the Association has not yet had a need for this service.

Federal/State Income Taxes, line item #5202, was $5,250.00 below the year-to-date budgeted amount. There is $18,000.00 budget in this line item; however, the Association’s Auditors sent a letter in March 2012 recommending that Cameron Station pay $9,300.00 for the 2012 Estimated Income Tax Payments. It is expected that this line item will end the year significantly under budget.

Newsletter, line item #5701, was $3,194.12 below the year-to-date budgeted amount. This line item should level out towards the end of the year as the final Newsletter is sent out.

Other Communications, line item #5820, was $4,068.04 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 $5,770.72 below the year-to-date budgeted amount, due to lower than anticipated costs. This line item was decreased from $8,000.00 to $4,000.00 in the FY2013 budget.

Community Activities, line item #5601, was $5,469.89 below the year-to-date budgeted amount. The Activities and Events Planning Committee is very vigilant about their budget. We anticipate that we will end the year on budget.

Snow Removal, line item #6003, was $55,761.41 below the year-to-date budgeted amount due to the lack of snow received in January, February, and March.

Common Area Lighting Maint., line item #6102, was $5,120.98 below the year-to-date budgeted amount. Management anticipates that this line item will level out towards the end of the year.

Turf Treatment & Enhancement, line item #6105, was $4,564.28 below the year-to-date budgeted amount. Management anticipates that this line item will level out over the next few months.

General Maintenance Supplies, line item #6361, was $3,126.92 below the year-to-date budgeted amount. This line item was increased from $10,000.00 to $7,500.00 in the FY2013 budget.

Common Area Consulting, line item #6640, was $5,000.00 below the year-to-date budgeted amount as there has not yet been a need for such service.

Pool Management Contract, line item #6018, was $9,598.30 below the year-to-date budgeted amount. It is anticipated that this line item will end the year under budget due to the new contract with High Sierra Pools. This line item was increased from $60,000.00 to $50,000.00 in the FY2013 budget.

Special Cleanings, line item #6026, was $4,250.00 below the year-to-date budgeted amount, due to fewer meeting room rentals than anticipated. It is expected that this line item will end the year significantly under budget due to the impending renovation.

Pool Equipment Repair/Maint., line item #7202, exceeds the year-to-date budgeted amount by $2,258.00, due to higher than anticipated expenses. This line item was increased from $1,000.00 to $2,000.00 in the FY2013 budget.

Operating Contingency, line item #5301, was $4,583.00 below the year-to-date budgeted amount. 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 $121,532.12 through November 30, 2012. 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.

December 2012 Report

On December 31, 2012 the Association had operating and investment funds totaling $2,268,214.88. The First Association Bank* operating account had a balance of $217,127.28. The First Association Bank Google Ads account had a balance of $1,309.47. Based upon this statement, the Morgan Stanley Smith Barney Money Market account had a balance of $476,957.77 and the First Association Bank Money Market had a balance of $200,295.51. There is $1,362,000.00 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 December 31, 2012 was $27,910.20. This reflects a delinquency rate of approximately 1.314%, which is below the industry standard of 5%. Accrued Reserves total $1,245,450.56 and are fully supported by cash and investments. Owner's Equity**, which has a balance of $327,205.67, is also supported by cash. Owner's Equity is currently 15.4% of the Association's annual assessments. This signifies that the Association is in a healthy financial position.

The Capital Reserves account totals $31,667.47 and there is the same amount in approved Capital Improvements projects to be funded from this account.

**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 $2,226,093.65 which is $11,460.35 below the budgeted amount of $2,237,554.00.

The year-to-date expenses total $2,103,504.00 which is $134,050.00 below the budgeted amount of $2,237,554.00. Below are the line items that have a variance of more than $1,500.00 of the year-to-date budgeted amount.

- Club Phone/Cable/Internet, line item #5003, was $2,057.22 below the year-to-date budgeted amount, as costs have been less than anticipated.
Postage, line item #5010, was $2,364.84 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.

Architectural Comprehensives, line item #5079, was $2,309.29 below the year-to-date budgeted amount. During the preparation of the 2012 budget the Board approved the following schedule for comprehensive inspections: one 4-hour day in January and February to assist with follow-up inspections only and 18 hours each month for inspections or three 6-hour days March through December. Management will work with the CMC Architectural Department to ensure that this scheduled is being followed.

Temp Desk Coverage, line item #5421, exceeds the year-to-date budgeted amount by $10,260.00. The front desk was manned by a temp employee while Management searched for a new Administrative Assistant. This position is now filled.

Legal Fees-General Counsel, line item #5101, exceeds the year-to-date budgeted amount by $4,667.80.

Engineer Consultation, line item #5130, was $4,000.00 below the year-to-date budgeted amount, as the Association has not yet had a need for this service.

Administrative Payroll, line item #5402, was $5,840.59 below the year-to-date budgeted amount.

Federal/State Income Taxes, line item #5202, was $7,000.00 below the year-to-date budgeted amount. There is $18,000.00 budget in this line item; however, the Association’s Auditors sent a letter in March 2012 recommending that Cameron Station pay $9,300.00 for the 2012 Estimated Income Tax Payments. It is expected that this line item will end the year significantly under budget.

Newsletter, line item #5701, was $2,529.55 below the year-to-date budgeted amount.

Other Communications, line item #5820, was $2,425.88 below the year-to-date budgeted amount. Website, line item #5830, was $6,367.72 below the year-to-date budgeted amount, due to lower than anticipated costs. This line item was decreased from $8,000.00 to $4,000.00 in the FY2013 budget.

Community Activities, line item #5601, was $6,271.20 below the year-to-date budgeted amount.

Snow Removal, line item #6003, was $69,761.41 below the year-to-date budgeted amount due to the lack of snow received in 2012.

Common Area Lighting Maint., line item #6102, was $1,830.23 below the year-to-date budgeted amount. Management anticipates that this line item will level out towards the end of the year.

Turf Treatment & Enhancement, line item #6105, was $3,667.40 below the year-to-date budgeted amount.

General Maintenance Supplies, line item #6361, was $3,140.21 below the year-to-date budgeted amount. This line item was decreased from $10,000.00 to $7,500.00 in the FY2013 budget.

Common Area Consulting, line item #6640, was $5,000.00 below the year-to-date budgeted amount as there has not yet been a need for such service.

Pool Management Contract, line item #6018, was $9,598.30 below the year-to-date budgeted amount. It is anticipated that this line item will end the year under budget due to the new contract with High Sierra Pools. This line item was decreased from $60,000.00 to $50,000.00 in the FY2013 budget.

Special Cleanings, line item #6026, was $4,875.00 below the year-to-date budgeted amount, due to fewer meeting room rentals than anticipated. It is expected that this line item will end the year significantly under budget due to the impending renovation.

Pool Equipment Repair/Maint., line item #7202, exceeds the year-to-date budgeted amount by $2,258.00, due to higher than anticipated expenses. This line item was increased from $1,000.00 to $2,000.00 in the FY2013 budget.

Operating Contingency, line item #5301, was $5,000.00 below the year-to-date budgeted amount. 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 $122,589.65 through December 31, 2012. 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.

**COMMITTEE REPORTS**
The Board reviewed Committee reports on activities and recommendations to the Board since the last Board meeting.

**Cameron Club Facilities Committee**- Ray Celeste, Committee Chair, reported that the committee will be presenting audio visual recommendations for the Cameron Club. Ray also reported that the Committee, at their most recent meeting, had discussed several items including solutions for the pool cover, the possibility of a sub-association office space at the Cameron Club, and modifications to the Cameron Club Policy regarding rental of the Multi-Purpose Court by residents. The Board advised that they would discuss the sub-association office space once the renovation is completed. They also requested that the Facilities Committee hold further discussion on creating a policy for residents to rent the Multi-Purpose Court.

**Activities & Events Committee**- Michael Johnson, Board Liaison, reported that the committee would be holding a Winter Happy Hour at Café Pizzaiolo in February. He also reported that the committee had developed a calendar for all of the 2013 Events and asked Management to secure the dates at the Cameron Club.

**OLD BUSINESS**
**Update on Cameron Club Renovation**
Alvin Boone, Board Director, reported that the renovation schedule is currently running behind and that the contractor is awaiting approval on their sprinkler design. Furniture for the Fitness lobby is scheduled to come in on Friday and the rest is scheduled for mid-February. Alvin has scheduled a walk-through with the Renovation Committee for February 15, 2013.

**NEW BUSINESS**
Martin Menez, Vice Chair of the Cameron Club Facilities Committee, presented a slide presentation to the Board, titled, “Cameron Club Audiovisual Concept of Operations”. In his presentation, he outlined his ideas for audiovisual capabilities at the Cameron Club post-renovation. The Board asked Martin to research more financial and scheduling details for the project before moving forward.

**Move To:** Approve the Cameron Club Facilities Committee’s recommendation to task CMC to work directly with High Sierra Pools to develop a long term solution to the pool cover issue and that CMC present that solution to the Board at their March Board Meeting.
Moved by: Michael Johnson
Seconded: Alvin Boone
For: All
Against: None
MOTION PASSED

**MATTERS FOR BOARD REVIEW AND INFORMATION**

**COMMUNITY MANAGER’S REPORT**
“Renovation Status Update
R.W. Murray will begin painting and laying carpet in the Club beginning next week throughout the end of this month. They have targeted the week of the 21st-25th to complete the upstairs Management Offices. Prior to this work, CMC Maintenance will need to move all office furniture and equipment across the hall and Threshold Technologies and Comcast will need to come onsite to move the server equipment to the LAN room and terminate the phone lines. I will keep Alvin updated on the schedule of events.

Flag Pole
The rope on the flag pole as well as the flag in front of the Cameron Club was damaged by high winds on December 31st. A “truck” which is the cap that goes on top of the pole will need to be replaced as well as the rope and the flag which is ripped. Management has approved a proposal from R.E. Lee in the amount of $835.00 to repair the pole and replace the flag.

Shuttle Service for Inauguration Day
The Shuttle Bus does not normally run on Federal Holidays, however, Martin Luther King, Jr. Day falls on the same day as Inauguration Day, which is Monday, January 21st. Management has asked ARM Transportation to provide regular service that day for residents that will be attending the Inauguration events in DC. This will be done at no extra charge by ARM Transportation.

Community Manager Return from Maternity Leave
Airielle Hansford, Community Manager, will return from maternity leave on Monday, February 4, 2013.

City Council Meet & Greet at Cameron Station
A City Council Meet & Greet has been scheduled at the Cameron Club for Thursday, February 21st at 7pm.

PUD CERTIFICATION/LENDER QUESTIONNAIRE DISCUSSION
Management presented the Board with the requested information regarding Resale Packages/Documents and Lender Questionnaires. After some discussion, the Board asked CMC to provide more details regarding turnaround time for completed Questionnaires through Community Archives as well as a list of Association contracts that are affiliated with Associa, CMC’s Parent Company.”

Move To: Adjourn at 8:46 p.m.
Moved by: Tom McClimon
Seconded: Alvin Boone
For: All
Against: None
MOTION PASSED

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