Cameron Station Community Association
Financial Advisory Committee (FAC)
May 21, 2015 – Meeting Minutes

Meeting Called to Order: 7:03 p.m. by FAC Chairman Jeff Gathers.

Members Present: Harry Glenos, Aldo D’Ottavio, Mahl Avila, and Ted Pickett

Board Liaison Present: None

Member(s) Absent: Joe Chesney and Tim McLaughlin

Approval of Agenda: Motion passed unanimously

Approval of Minutes from April 23, 2015 meeting: Motion passed unanimously.

Resident Open Forum: Kyle Bateman introduced himself, described his personal and professional background and asked for consideration as a member of the Financial Advisory Committee. Mr. Bateman had previously submitted the required application form to the Community Manager.


a. The year-to-date financial results were generally unremarkable as of April 30. The report shows a favorable variance from the budget in excess of $28,000. Particularly in the early months of the year, it is necessary to temper our evaluation of these results with consideration of the effect of timing mismatches between actual expenditures and the timing assumed for those expenditures in the budget “spread report.” Delayed expenditures invariably cause (temporary) favorable variances. Expenditures earlier than expected would cause an offsetting effect – but these occur much less often in practice.

b. The Chairman suggested to the Committee that there were no further reasons to delay approval of Phase 1 of the Lancaster Landscapes proposal to expand the common area irrigation system. The committee unanimously approved the proposal. This issue had been discussed at length during FAC meetings on both November 20, 2014 and February 19, 2015.

[Subsequent to this meeting, the Chairman was invited to participate in a discussion of this project with Board President Mike Johnson and Common Area Committee Chair Robert Burns. The consensus from this meeting was that, because of the importance of common area appearances in the maintenance of Cameron Station property values, the Association should proceed with all three phases of the irrigation expansion in 2015, subject to the FAC’s “comfort” with the financial]
implications. The Chairman later proposed that the roughly $46,000 project be financed first with the $17,000 uncommitted balance now in the Capital Reserve, which could be supplemented by a transfer of up to $30,000 to that reserve from Owners’ Equity. This transfer, though substantial, would leave Owners’ Equity near the 15% midpoint of its target range as a percentage of annual assessment income. A subsequent e-mail poll of FAC members concerning this proposal yielded no dissenting votes.]

c. The format of the Executive Summary table in the variance report page was discussed. Some members find the parenthesized “negative” numbers confusing as they appear in this table. An approach to +/(-) signs for income and expenses that would “add” to the Net Income would be more conventional, and thus preferable, to these members. The Chairman committed to discussing options in this area with the Community Manager.

Old Business:

a. Investment Manager/Banker Solicitation Process: This issue continues to be worked. The feasibility of collecting information about broader banking service capabilities was essentially resolved as a result of the May 18 conference call with CMC officers. However, the Chairman will need to review the draft RFP with the new Community Manager to discuss the logistics for mailing and processing of responses.

b. Reinvestment of maturing certificates of deposit: During May, three more CDs matured, leaving an exceptionally large balance in the MorganStanley money market account. The Investment Manager is eager to reinvest at least the most recently matured amount of roughly $200,000. The Chairman and Treasurer have been cautious in responding to his suggestions because of uncertainty concerning potential near-term expenditures for street and sidewalk repairs – much of which was originally scheduled for 2014. The Chairman and Treasurer will meet with the Investment Manager in late June to devise a reasonable short-term strategy.

New Business Personnel Issues:

a. This was Harry Glenos’ last meeting. The Committee thanked him for his time and hard work during four years with the committee. Harry graciously offered to help out with transitioning a new person when his position is filled.

b. The committee voted unanimously to have Aldo D’Ottavio reappointed to the committee for a second two-year term.

New Business: Upcoming Events:

a. The Reserve Study requires updating and refinement. Of particular concern are the maintenance of the Community streets and sidewalks. The Community Manager has begun detailed research needed to clarify the boundaries of responsibility between the CSCA and the six condominium associations. We continue to work toward the performance of a new reserve study in early 2016.
b. The Draft audit report will be released for committee review in late June or July with an expected completion date for the approved audit in September. The final audit customarily triggers a one-time adjustment of Owners’ Equity based on a more refined calculation of the prior fiscal year’s results.

c. The Chairman reminded the Committee that the FY 2016 budget will begin in earnest in July with the submission of budget requests by the various committee chairs.

d. The Chairman noted that the Ad Hoc Swimming Pool committee is reviewing the need to enhance the pool. This is an on-going process with potentially significant financial consequences.

**Executive Session:**

The Committee voted to endorse Kyle Bateman’s application for FAC membership. The Chairman will forward that information to the Community Manager for presentation to the Board.

**Adjournment:**

The Chairman adjourned the meeting at 8:08 p.m.