MEETING MINUTES

I. Call to Order
   a. The meeting was called to order at 7:08 pm.
   b. Members Present: Chairman Jeff Gathers, Alex Cebotari. Bill Blumberg, Takis Taousakis
   c. Members Absent: Joan Lampe, Mahl Avila
   d. Others Present: Martin Menez, Treasurer and Board Liaison

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

III. Resident Open Forum
   a. No residents were present

IV. Approval of Minutes
   a. The March 22, 2018 draft minutes had not been distributed in time for an approval vote during the meeting. The minutes have been finalized via email communication.

V. Review of Financial Results
   a. March 31, 2018 Variance Report and Financial Statements
      i. The March Variance Report documents a continuation of previous months’ trends and a favorable net year-to-date variance of Income over Expenditures of $46,321.69. In addition to close cost controls by Management overall, we are thankful for low snowfall totals in 2018. Costs for snow removal account for $33,000 of the favorable variance.
      ii. In regard to the “Executive Summary” at the top of the monthly Variance Report, we might consider including more balance sheet detail. For example, might we report cash assets separately from investments and, potentially, comparing each with beginning-of-year values.
      iii. Throughout the Income Statement section of the Variance Report, consider using the terms “favorable” and “unfavorable” more prominently in referring to variances. The terms “positive” and “negative” have different connotations for Income than for Expenditure line items.
      iv. In response to a question, chairman Gathers noted that the 2017 audit adjustments will be recorded only after the financial audit has been completed and approved by the Board in the fall of 2018. In the meantime, variances caused by miscoded 2017 expense items will continue to be reported as 2018 charges in each month’s Variance Report.
VI. Old Business

a. Investment Realignment Implementation: Marty Menez reviewed significant progress made to date:
   i. Management has “cleaned up” and consolidated two cash accounts, transferring most funds from the “PPB Merchant” account, and all of the “PPB Google” account to the comprehensive Operating account.
   ii. The ongoing balance held in the cash checking account will be limited to approximately two months of average operating expenses ($400,000). This will be significantly lower than practice in recent months.
   iii. All other funds will be invested in a combination of interest-bearing Money Market accounts and Certificates of Deposit of various durations. These will be organized and managed to provide appropriate liquidity for unexpected fluctuations in either (or both) Operating or Replacement Reserve expenditures.
      - Money Market funds are available “on demand” within 24-48 hours, subject to a limitation (typically 6) on the number of withdrawals per month.
      - Rotating short-term CDs (durations of 1 to 5 months) provide guaranteed returns if held to maturity and additional back-up for unplanned expenses with slightly longer time frames.

b. Finding an Alternative Money Market Partner: Takis Taousakis and Bill Blumberg have worked to identify potential Money Market investment opportunities for “liquid” cash requirements. The team believes these accounts would be appropriate “homes” for assets held for potential “short-term” reserve needs. Typically these are amounts held to fund expenses that are “expected” but may come due ahead of schedule. Liquidity is required, but not “instantaneous liquidity.” Access within one or two days will be sufficient, given that there is no risk of principal loss. Mr. Taousakis committed to send an email to Marty Menez and the FAC team outlining several options. The variables to consider are:
   i. Return percentage, in comparison to the Association’s current Money Market investments.
   ii. Access to assets in the account. See VI.a.iii above.
   iii. Any other administrative challenges in ongoing transfers to/from CMC’s current bank for operating expenditures.

VII. New Business

a. FAC Charter Refresher. The review/discussion of the FAC charter was postponed to the May 2018 meeting when we will have more members in attendance.

The meeting was adjourned at 8:10 p.m.