MEETING MINUTES

I. Call to Order
   a. The meeting was called to order at 7:05 pm.
   b. Members Present: Chairman Jeff Gathers, Alex Cebotari, Bill Blumberg, Takis Taousakis, Joan Lampe
   c. Others Present: Martin Menez, Treasurer and Board Liaison Judy Johnson, General Manager, CMC Sarah Meyer Walsh, FAC Applicant

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

III. Resident Open Forum
   a. Applicant Introduction: Ms. Sarah Meyer Walsh, an applicant for one of the two open committee positions, presented an overview of her educational background and professional experience. Ms. Walsh owns and manages a fine stationery company located in Arlington. She oversees the work of more than 20 employees and the company’s multimillion dollar operations. Ms. Walsh has lived in Cameron Station for several years and has already moved with her family into a second home in the neighborhood. She expressed both enthusiasm and willingness to work with our members in support of both the Board and management for the long-term benefit of the CSCA.

IV. Review of Financial Results
   a. April 30, 2018 and May 31, 2018 Variance Report and Financial Statements
      Chairman Gathers opened the discussion up to all members for comments on the April and May 2018 financial statements:

      i. Mr. Blumberg raised a question about the timing of Condominium Associations’ (“CA”) transfers of Assessment Income collections to the “master” CSCA. Certain CAs have failed to remit the master association’s portion of members’ quarterly assessments on a timely basis, resulting in a one-month lag for financial reporting. In line with the quarterly collection cycle for Assessment Income, the transfer delays invariably affect the monthly results for the first month of a fiscal quarter (January, April, July and October). The periodic overstatement of delinquencies for condominium residents distorts otherwise useful information about the behavior of Cameron Station’s owners generally. The FAC would appreciate a more detailed
explanation of the circumstances causing the delays from the perspective of the individual condos. Members agreed that the timing of CA cash transfers significantly affects comparison of CSCA net revenue to the budget at the end of certain months, as well as CSCA’s recorded cash flow and investment decision-making.

Mr. Menez mentioned a recent discussion with CMC management during which this issue was addressed. Three of the six CAs’ transfers are managed by CMC staff, and the individual manager most often responsible for the late transfers has stated that “the matter will be taken care of.” Discussion followed. Mr. Gathers requested of Ms. Johnson that the amount of the past due assessments from the CAs be separately disclosed in the monthly variance report. Ms. Lampe referenced the resale processing fee income account. Based on her review of the detailed transaction processing journal for the months of April and May, there have been amounts that appear to be cash receipts for resale processing fees in the General Ledger but that are not recorded in the intended account. Ms. Lampe suggested that Ms. Johnson review the transactions with the CMC Accounting Office to determine if a reclassification is necessary. Ms. Johnson agreed to do this.

ii. Chairman Gathers referred to the Legal Reimbursements (Income) account, which is ahead of budget for the first five months. He asked if the trend reflected a change in CSCA’s collection procedures. Ms. Johnson, the Community Manager, indicated that she is unaware of any specific changes to date. As a side note, the Chairman observed that the expenditures for legal fees in pursuit of these reimbursements remain higher than the referenced collections – but by a lower percentage than in recent prior years. The deterrent effect of enforcement processes remains impossible to measure accurately.

iii. Chairman Gathers also asked whether there had been changes at the CMC Chantilly Office that have caused the later distribution of the financial statements for both April and May. Ms. Johnson stated that a new bookkeeper has been assigned to the CSCA account at CMC, which most likely resulted in the delayed releases. Mr. Gathers also mentioned that both he and Ms. Lampe had met with Ms. Johnson in April to review the Variance Report and potential improvements. After that meeting, Ms. Johnson shared copies of other HOA reports prepared by CMC. Ms. Lampe pointed out that several of the sample reports included a summary of the assessment income accounts receivable aging, i.e., less than 30 days, 31-60 days, etc.

iv. A brief conversation took place concerning the cost of the CSCA 20th Anniversary party that is planned for this year. No amounts for such a party
had been included in the 2018 budget. Chairman Gathers stated that the party may replace, or consolidate with, another event (Casino night) and that the anniversary party is still in a planning phase. Final cost estimates are not yet completed, but are likely to come in substantially below $30k. Discussion followed.

V. Old Business

a. Investment Realignment Status Report
   Mr. Menez provided an update on the funds invested in a combination of interest-bearing Money Market accounts and Certificates of Deposit of various durations. The schedule of the Morgan Stanley investments is now managed more precisely to provide appropriate liquidity for fluctuations in either (or both) Operating or Replacement Reserve expenditures.

b. Finding an Alternative Money Market Partner
   Takis Taousakis has continued to research and identify potential Money Market (“MM”) investment opportunities for “liquid” cash requirements. Mr. Taousakis distributed a schedule of candidates for MM partners for review and further consideration. The FAC members discussed the list of candidates, bearing in mind the variables highlighted at the previous meeting:

   i. Return percentage, in comparison to the Association’s current Money Market investments.
   ii. Access to assets in the account.
   iii. Any other administrative challenges in ongoing transfers to/from CMC’s current bank for operating expenditures.

c. Repair & Replacement Reserve: Project Update
   In addition to the items listed above, the FAC members also discussed the Repair & Replacement Reserve Funding Project list for 2018. Chairman Gathers requested Ms. Johnson to provide the FAC with an updated listing of projects expected to be funded by the R & R Reserve during the balance of 2018. This information will permit an update of the 2016 Reserve Study and maintenance of the necessary liquidity to finance these projects in the near term.

VI. New Business

a. FAC Charter Refresher - Ms. Lampe led a brief review and discussion of the FAC Charter for members to consider. The discussion focused primarily on the key responsibilities identified in the Charter as potential assignments by the CSCA Board.

The business meeting was adjourned to Executive Session at 8:20 p.m.
Executive Session

The FAC members entered Executive Session to review the membership qualifications of Sarah Walsh, the FAC applicant who introduced herself earlier in the evening. All FAC members were fully supportive of Ms. Walsh’s candidacy. Chairman Gathers agreed to extend an invitation to her for one of the two open committee positions. This nomination would be voted at the June 26 meeting of the Board of Directors.

The Executive Session was adjourned at 8:30 pm.