MEETING MINUTES

I. Call to Order
   a. The meeting was called to order at 8:05 pm.
   b. Members Present: Chairman Jeff Gather, Bill Blumberg, Fred Blum, Sarah Walsh, Takis Taousakis
   c. Members Absent: Joan Lampe, Alex Cebotari
   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 August 23, 2018 meeting minutes were approved unanimously.

V. Review of Financial Results
    a. August 31, 2018 Variance Report and Financial Statements
       i. Overall, the Financial Statements and Variance Report look reasonable with a net surplus through August 31 of $86,379
       ii. The committee reopened an ongoing discussion of the $1,500 “variance threshold.” When a variance exceeds the threshold, whether favorable or unfavorable, management is expected to provide in the document – or commit to follow up with – a more detailed explanation of factors contributing to the variant results. Particularly in the latter months of the year, this threshold generates dozens of “hits,” e.g., 38 in the August report. The discussion centered on the expectation that raising the dollar amount – or otherwise modifying the dollar threshold – could expedite the Manager’s drafting and delivery of the variance report without negative effects. No consensus was reached at this meeting, but the chairman encouraged committee members to continue exploring options.
       iii. The committee discussed the need to add a G/L account line for repairs caused by storm damage or other uncontrollable events, such as those experienced recently. Accounting for Snow Removal would continue to be separate in its current form. This change would enhance transparency of these costs when they occur, and lessen the appearance of overages in other building or landscape maintenance accounts. Insurance recovery of such losses would continue to be recorded as an Other Income entry. The Chairman will check with Judy Johnson to ensure that such a change could be implemented efficiently in the accounting structure, whether beginning in 2019 or some future year.
iv. The committee discussed a follow-up protocol for the Community Manager when unable to provide a complete explanation for a reported variance in time to be published in the pending monthly report. Similar considerations apply to responses to other questions posed by committee or board members. The FAC acknowledges that it is reasonable for management to need time to investigate these matters. However, the agreement to respond should include management’s commitment to a delivery date for that response. Inability to meet this date should be acknowledged promptly and include an updated timeline.

VI. Old Business

   a. 2019 Budget Status and Open Issues/Line Items:
      i. The 2019 operating budget is near completion with just a few line items that are still being reviewed collaboratively by Management and the FAC.

   b. The Chairman passed along a recent comment from Ms. Johnson that she had begun seeking proposals for a comprehensive “milling and overlay” of the asphalt surfaces on Cameron Station’s private streets. This project had been recommended in the Reserve Study since 2016. Per the Reserve Study, the total expected cost of the project was roughly 1.1 to 1.2 million dollars to be incurred over three years, starting in 2021. Significantly, Ms. Johnson’s RFP has suggested startup as early as 2019. The FAC has cautioned that a significant potential impact could result from such a decision to accelerate the start of this major project. Although this project will be paid for with existing reserve funds, accelerated use of these funds would reduce the related 2019 interest income from these investments – specifically to the extent that CDs maturing in 2019 or 2020 might have to be sold at a loss of principal in order to ensure adequate liquid funds. Moreover, because investment income is a component of the operating budget, a decision on this project needs to be reached by this October.

   c. Investment Realignment Implementation The investment realignment has been implemented. The ongoing work involves keeping close tabs on the “Repair and Replacement” reserve projects and spending schedules. This vigilance will allow us to optimize the return for the association while maintaining investment security and liquidity.

VII. New Business

   a. The next FAC meeting is scheduled for Thursday October 25, 2018.

The meeting was adjourned at 10:23 p.m.