MEETING MINUTES

I. Call to Order
   a. The meeting was called to order at 7:05 p.m.
   b. Members Present: Chairman Jeff Gathers, Bill Blumberg, Fred Blum, Sarah Walsh, Alex Cebotar, Takis Taousakis.
   c. Member Absent: Joan Lampe
   d. Others Present: Judy Johnson, Community Manager, Cameron Station Community

II. Approval of Agenda and Minutes
   a. The agenda was approved unanimously after adding the “Approval of October Minutes” line item.
   b. The October 25, 2018 meeting minutes were approved unanimously.

III. Resident Open Forum
   a. No residents were present

IV. Review of Financial Results
   a. October 31, 2018 Financial Statements and Variance Report

Mr. Gathers invited comments on the October 31 financial statements and variance results. Overall, the Financial Statements appear reasonable with a favorable year-to-date net income of $93,555. This is a reduction from the September 30 surplus with the two major drivers being the 20th anniversary party expenditures and budgeted turf and tree management expenditures that had been delayed by the unusually wet weather during the summer and early fall. This favorable status reflects a combination of close management of total expenditures against budgets and good fortune in other key weather-driven accounts such as snow removal and irrigation usage.

The Variance Report prompted a more detailed discussion on several points:

i. The auditors have recommended that certain computer network invoices from 2017 be moved to 2018; however, the adjusting entries do not appear to have been made.

ii. The committee is recommending to move the approximately $20K expense for the 20th anniversary party from “Other Communications” to “Activities and Events” for transparency and audit purposes.

iii. The committee resumed discussion of the “threshold” used in the Community Manager’s ongoing responsibility to explain the “most significant” account variances in monthly reporting to the Board and FAC. Historically, a significant variance has been defined as a year-to-date variance of more than
$1,500. The Board of Directors has recently increased the Community Manager’s spending authority from $1,500 to $2,500. The committee agreed to propose a parallel increase to $2,500 in the threshold for variance commentary and to monitor the impact of this change during the next few months.

iv. The committee discussed several items with the Community Manager, including:

- Mr. Gathers offered to Ms. Johnson to have one or more members of the FAC assist with the final 2019 budget Spread Report if that would help reduce the frequency of timing-driven reported variances. Ms. Johnson advised the committee that many of the variances result from late delivery of invoices by vendors and that additional work on the spread report will have very little impact on the number of items that need explanation on the variance report. It is notable that CMC’s accounting standards preclude accrual of expenses for most contracted services that have not yet been invoiced.
- The Trash and Recycling Collection contract is coming up for renewal soon. The present contract has direct pass-through provisions for government-mandated fuel surcharges and changes in dump fees, as well as an automatic escalation clause. Members suggested that we look closely at some of the provisions during negotiations of the new contract to reduce the exposure to non-budgeted expenses.

V. Old Business

a. The 2019 Budget and Assessment Rates were announced prior to the Annual Meeting as required. All published dollar budget amounts and 2019 quarterly assessment rates were correct, but one supporting table showed an inaccurate allocation of aggregate assessments between Single Family/Townhouse owners and Condominium owners. This error was promptly corrected and communicated.

b. Repair & Replacement Reserve Project Updates:
The basketball court floor RFP (request for proposal) has gone out to vendors. The John Ticer Gazebo was discussed, and the community manager assured the committee that the cost is still within the contracted budget -- even though the schedule for completion has slipped significantly.

c. Drafting the Variance Report:
See IV.a.iv above for discussion. The threshold amount of variance for line-item reporting will be increased to $2,500 to match the Community Manager’s approval level as authorized by the Board. This change will reduce the number of line item variances analyzed each month.

VI. “New” Business

a. Reserve Project Additions and Deletions: No additional updates are available as we start planning the 2019 reserve study. Ms. Johnson, Community Manager, passed along copies of proposals from 2 different firms and has emailed the proposal from a 3rd firm. Additional proposals may yet be solicited.
b. Remaining 2018 FAC Meetings:
   Mr. Gathers reminded the committee that the December meeting is an informal get-together at City Kitchen on Monday, December 17.

   c. Mr. Gathers provided copies of the proposed 2019 FAC meeting schedule

   The meeting was adjourned at 9:08 p.m.