Cameron Station Community Association  
Financial Advisory Committee Meeting  
April 25, 2019  
Cameron Club Henderson Room

**MEETING MINUTES**

I. Call to Order  
   a. The meeting was called to order at 7:02 p.m.  
   b. Members Present: Chairman Takis Taousakis; Joan Lampe; Bill Blumberg; Alex Cebotar; Fred Blum; Jeff Gathers  
   c. Others Present: Martin Menez, Board Treasurer and Board Liaison; Deirdre Baldino, Assistant Community Manager

II. Approval of Agenda and Previous Month’s Minutes  
   a. The agenda was approved unanimously.  
   b. The March 21, 2019 meeting minutes were approved unanimously.

III. Resident Open Forum  
   a. No residents were present.

IV. Review of Financial Results  
   a. Chairman Taousakis reviewed the results of the March 31, 2019 Financial Statements and Variance Report. The financial statements for the three-month period showed an actual year to date net income (surplus) of $60,208 as compared to a budgeted amount of $9,470. Significant variances discussed by the Committee members included:  
      ✓ Interest earned on the operating accounts, including the Congressional Bank, is currently being recorded in Account # 4910 – Reserve Funds instead of Account #4900-Operating Funds. Committee members requested that CMC Management correct the misclassification by recording an adjustment in April to reclassify the net difference in interest earnings between the two accounts.  
      ✓ Tree Treatment & Enhancements, line item #6155 had a charge of $8362.50 from October 2018 which should be corrected by audit. This note should remain in the report until the charge is reversed  
   b. Committee members reviewed the communication methods by Congressional Bank for changes in the money market (MM) rates. The last statement included in the financial packet indicated a rate of 1.75%. The current rate changes would be useful for the Committee members to have for decision-making purposes as CSCA seeks to maximize the interest earned on its liquid accounts. Mr. Menez noted this was agenda item VI. to be discussed tonight.  
      ✓ Mr. Menez requested that CMC management have Congressional Bank send email communications of MM rate changes to designated FAC members responsible for direct monitoring and oversight of CSCA
investments. It was previously thought that the Congressional account was .25 points lower, however, since receiving the March 31, 2019 financial statements this week, the Committee only recently became aware of the change. Discussion followed.

✓ Mr. Blum reviewed the research of MM account alternatives, including Morgan Stanley (MS). CSCA invests its laddered CDs with MS and has a sweep account for the interest earnings. Published literature indicates that some companies pay 2% on the MM accounts, however, CSCA is only receiving .75%. Mr. Menez agreed to follow up with the MS contact to determine why CSCA does not receive the higher rate. Mr. Blum will provide Mr. Menez with a brief description of the situation in an email message to communicate the situation described above with the MS contact person.

c. Mr. Menez referenced the Variance Report, noting that previous reports included a delinquency rate calculation after consideration of the Allowance for Doubtful Accounts, however, the March Variance Report excludes this amount. Ms. Baldino stated the monthly report was drafted by Kenya Cooper at CMC and reviewed by Jan Ward. After much discussion, the Committee members agreed that the new community manager, Ms. Soles, should also be part of the decision to include or exclude it consistently.

d. The Committee noted the Capital Improvements- Reserve at the end of March 2019 was still a negative balance, however, CMC Management noted in the Variance Report the transfer of $23,521 from owner’s equity would be completed in April. Mr. Menez asked Ms. Baldino to ensure that notice be given to FAC or its members when a transaction is completed.

e. Mr. Gathers referenced page 2 of the Variance Report, under the Capital Improvement Reserve, which states (each month) that the Community Manager is “unaware if there are any approved Capital Improvements projects to be funded from this account. The Committee members agreed this statement should be removed and/or modified, since Capital Improvement projects occur throughout the year. The Committee also expects to receive an updated Capital Projects Report within the next month to understand the Capital Projects Completed and any projects planned.

f. Mr. Gathers referenced page 2 of the Variance Report, under the Owner’s Equity account. Further clarification should be made that the Owner’s Equity balance is the December 31, 2018 amount, subject to adjustment by the auditors.

g. The Committee members reviewed the process for adjusting the budget allocation (monthly spread report) for the remaining year. Mr. Gathers stated (confirmed by CMC) that the budget allocation can be changed prospectively for the remaining months in the year. Potential accounts identified for modification to the budget allocation could include:

✓ Account Set up/ Coupons (Account 5030)
✓ Irrigation System contract (Account 6299)
✓ Tree & Shrub Maintenance (Account 6160)
h. The Committee members reviewed comments provided by CMC related to the accounting and recording of Resale Processing Fee income (Account 4260). Despite the account being such a small income amount, the Committee does not have a complete understanding of the process for recording the receipts, nor does it understand the time lag associated with income received from CMC. Ms. Lampe recommended that CMC Management provide sample and copies of the documentation for the last six (6) Resale Processing Fees disbursed to CSCA, and include the following items:
   ✓ Date of settlement (transfer date for property)
   ✓ Date CMC received the transfer fee from agent
   ✓ Date CMC disbursed check to CSCA

Mr. Blumberg agreed to follow up on the analysis based on information provided from the Cameron Station real estate agents for units sold (excluding condominiums).

i. The Committee members reviewed negative balances in certain accounts on the balance sheet, including the following accounts:
   ✓ Insurance Receivable (Account 1725)
   ✓ Accounts Payable (Account 2000)

Ms. Lampe noted these same account balances were highlighted in the previous month’s FAC meeting and requested that the balances be identified and if the amounts are receivable/payable, the amounts should be reclassified accordingly.

V. Old Business
   a. Repair & Replacement Reserve- Project Update/Forecasts
      ✓ The Chairman indicated the item will remain on the agenda. CMC Management understands the importance of providing this information for planning and oversight purposes. The new Reserve Study should become the basis of monitoring and reporting on these projects.
   b. 2019 Reserve Study Miller Dodson Progress
      ✓ Committee members reviewed the status of Miller Dodson for the 2019 Reserve Study. The onsite inspection work occurred, and the report is expected in June
   c. Capital Improvement Reserves (Accounts 3015 and 9106)- See previous comments
   d. Additional Item: Mr. Menez requested a follow up meeting with David Hotle, Treasurer from Woodland Hall Condominium Association and Karen Soles. The purpose of the meeting would be to gather additional information after speaking to CSCA’s outside legal counsel.

VI. “New” Business
No additional new business as the Congressional Bank MM Account was discussed at Item IV.

VII. The meeting was adjourned at 8:50 p.m.