MEETING MINUTES

I. Call to Order
   a. The meeting was called to order at 7:18 pm.
   b. Members Present; Chairman Takis Taousakis, Bill Blumberg, Fred Blum, Jeff Gathers. Absent Joan Lampe and Alexandru Cebotari.
   c. Others Present: Martin Menez, Board Treasurer and Board Liaison, Karen Soles, Community Manager: Kenya Cooper, Portfolio Manager CMC, Mark Haase, Miller-Dodson, reserve study consultant.

II. Approval of Agenda and Previous Month’s Minutes
   a. The agenda was approved unanimously.
   b. The April 25, 2019 meeting minutes were approved unanimously.

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

IV. Review of Financial Results
   a. No issues were raised concerning both the month and year-to-date financial results. In both cases income is above budget and expenses are below budget. Note on GL line 4260 there were 23 resale processing fees recorded in April and 49 total year-to-date fees.
   b. Discussion of variance report improvements and possibly modifying the budget spread going forward will continue in future meetings.

V. Old Business
   a. Repair & Replacement Reserve Project Update: Kenya Cooper explained the draft of the proposed tables for monitoring Reserve Projects, Capital Improvement Projects and Special Projects. By tracking individual projects this new report will help the FAC better manage cash needs, particularly our CD ladder for both the replacement reserve and capital improvements, separate from normal operations. After discussion, Chairman Taousakis suggested adding columns on project start and completion dates and changed project estimates. Work on these project reporting tables will be finalized after the reserve study is final.
   b. The Capital Improvement Reserve accounting (GL 3015 and 9106) was corrected with the April financial report.
   c. Other Old Business items on agenda not addressed at the meeting:
      Resale Processing Fee income
      Woodland Hall proposal, CMC and Counsel comments
      Congressional Bank/Morgan Stanley Money Market Savings. Can we improve yield?
VI. New Business

a. 2019 Reserve Study Miller Dodson Draft Report:

There was an extensive review of the Miller-Dodson draft Reserve Report by Mark Haase, the reserve consultant. He completed a physical walk through of Cameron Station as part of our Level 1 study. We reviewed the May 15th draft reserve study.

Financial Goal & Background:

Haase stated that reserve study fees should be treated as an operating expense, not a reserve expenditure item (GL 5105). Calculations are based on 2019 dollars.

Jeff Gathers commented on the need for project tracking, their execution and cash needs and the impact on cash when work is not done. This has been a problem in the past and is supposed to be addressed by the Project Update/Forecast Tables put together by Kenya Cooper.

Haase stated the reserve study is a funding goal versus spending goal, a very important distinction. Roads are the biggest item, needing both scope planning and the ability to spread work over several years. Spreading work will allow better cash and CD management and avoid special assessments.

The FAC should retool contribution level as needed, as we want to avoid special assessments and have steady annual increases. Haase noted that is the best approach and is a key part of our current approach.

Paving, Curbs & Gutters—

This is the most expensive item in both near and long term with many parts. The plan is for milling and overlay starting at the 20-year point. Funding needs for various projects were shown as a lump sum. He can do a paving model spreading work over two, three, four or even five years. That would greatly impact our cash needs in any given year. Karen Soles said spreading the paving work over several years makes managing the project easier (especially dealing with access and parking needs).

Projecting a community map helped the discussion by having everyone look at the questioned items together.

Haase captured all asphalt pavement etc. to be paved, including roads, alleys parking, part of which is owned by the condo and, part is owned by Cameron Station. City owned streets are excluded. Issue of shared ownership of parking, alleys and cul-de-sacs was discussed, but no conclusions reached. English Terrace and Yarrow Lane are part of the Condominiums at Cameron Boulevard, and Woodland Alley is part of Woodland Hall condos.

Seal coating is listed as an option, item 40, at $135,199, one to two years after paving is completed. This is a major inconvenience to residents, but does not greatly increase extend paving life, especially given the street structure. There is an additional $25,000 for crack sealing and spot repairs every 5 years item 39. This study plans another milling and overlay at 40 years. This is substantially different than present study about what is done at 40-year point. The old
plan had us replacing all asphalt layers going down to the underlying aggregate sub-surface and possible replacement.

Curbs and gutters (item 41) is an allowance, and we should use engineering assessments to determine how much needs to be replaced at the time of the mill & overlay contract RFP.

A related issue is paver replacement along city owned streets. What is the city’s responsibility? Recent repairs in front of Main Street condos at Ben Brenan and Somerville were done by city.

**Irrigation System & Related--**

This is item 65 for $350,000 in 2019. Irrigation system repairs are already in budget. This same $350,000 amount is in the reserve study in years 2029, 2039 and 2049, totaling $1,400,000. There is an additional $30,000 for irrigation valves (item 66), pipes and heads in each of the 5-year cycles, totaling $240,000. The Common Area Committee needs to assist us in understanding cost, system life and savings. This is far different than current reserve study about maintenance/replacement of the system.

**Lights & Poles**

We have been replacing poles as needed, for example events such as accidents. It is a reason to spread this item, item 68 at $1,466,250. Poles are separate from replacing the decorative heads. The current study has an annual purchase of 12 units per year. Is it really needed for a 10-year migration to new poles, with 35-year life? Item 67, $372,600 are replace with LEDs heads in 2020 (20-year cycle), separate from light poles. This can pay for itself with lower electric bills and maintenance costs.

**Other Items**

Cambria steps, this is a new item with an expected life of 18 years.

Mailboxes belong to US Postal Service, we only paint the pedestals, but do not replace.

Ticer gazebo dome replacement item 74, and columns item 75. Hopefully the dome and columns will hold up and there is no other issue to drive up costs that we just went through.

The storm water management allowance, item 77, is a placeholder and needs to be reviewed by the Common Area Committee.

Foundation plantings, item 76 to be renamed Tree Replacement, and have the Common Area Committee review the number.

**Club House.**

Security system and parts, items 101-104, is a potential cost. What is an adequate system?

Life expectancy of remodeling done in 2014 is 10-15 years life remaining on kitchen, rest rooms offices. Locker rooms and lockers remodeling is slated for 2020, along with basketball court floor, which has been delayed but hopefully will be in 2019.
Weight room TVs were just replaced, items 117, 118 & 119. Items 113-116 and #120 deal with other weight room issues to be justified by the committee.

Conference room, 10 years additional life on conference table, 2 years on chairs

Water lines, project items 135 & 136 (water lines) funding for possible eventual replacement, with an unknown life. These are low probability events, but high cost if replacement or repair is needed. This is not in the current study. Water-service includes serving both the clubhouse and pool, thus a fairly high capacity system.

HVAC replacement, lines 137-149. HVAC lifespan is affected by parts availability and changes in refrigerants. If repair parts are not available, then a unit needs to be replaced ahead of schedule. Staggered replacement of units is affected by installation costs, as units must be craned on to the roof. Changes in refrigerant can have a negative impact on repair costs and timing of replacement units.

Pool deck, item 174 for $106,330, to replace the whole deck at once is “country club” approach to property management. Line item 175 ($10,633 every 10 years) takes care of small section of the pool deck repairs/replacement.

Swimming pool structure, item 163, at $335,750. At 41 years out it is not in the current study. This will be in future studies. However again there is a low probability of failure, and a high cost to repair. Various natural events beyond our control affect pool life.

**Report Structure & Possible Changes**

We reviewed the report structure and how numbers in various sections work together. Tables in Section A show peak year funding requirements versus actual outlays (spending). These tables show how different funding, spending models and reserve fund balances work together. How spending on key items, discussed above, is spread will impact reserve fund balances. We will be provided additional material on spreading spending on key items, including street milling and overlay, sidewalk pavers and HVAC replacement schedule, and related impact on fund balances.

The study used level contributions over its 40-year life, with no adjustment for inflation, a conservative approach.

The cost of annual update becomes part of annual budget and is particularly important if individual items get postponed and resulting impact on outlays.

VII. Meeting was adjourned at 10:10.