I, Call to Order
   a. The meeting was called to order at 7:07 PM.
   b. Members Present; Chairman Takis Taousakis, Bill Blumberg, Fred Blum, Jeff Gathers, Joan Lampe (via telecom).
Others Present: Martin Menez, Board Treasurer and Board Liaison: Michael Johnson, Board President; Karen Soles, Community Manager: Kenya Cooper, Portfolio Manager CMC.

II. Approval of Agenda and Previous Month’s Minutes
   a. The agenda was approved unanimously.
   b. The May 22, 2019 meeting minutes were approved as is unanimously.

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

IV. Review of Financial Results
   The monthly financial results were sent to the FAC on 6/19 versus 6/15 as previously agreed upon. The delay was due to analysis of variances. For future months Karen agreed to send financials without variance report with variance report to follow when completed.
   Item#6155 turf treatment: $9200: Some funds were expended in 10/2018, so a 2018 adjustment needs to be made. More research needed and auditors consulted for change. More details needed on invoice timing and actual expenditures for 2019 YTD numbers.
   Item#4910 Interest earned: Over budget due to both higher balances and higher interest rates earned. JG suggested the use of “we” versus “I” as the report has three co-authors.
   Item#6299 Irrigation System Contract: The budget numbers need to be spread differently to capture the monthly maintenance charges in additional to seasonal start up and shut down (current). Karen will review.
   Item#5040 Computer Network/C3: Admin purchased new equipment (computers, etc.) last year with more needed. Marty indicated a security system audit has been conducted and that the current systems are patchwork and suggested a budget line item increase for 2020 budget will be necessary to bring system security up to par.
Item#6600 General Repair: Currently all general repairs are to fix roof leaks and repair drywall. We asked whether some of the costs incurred could be chargeable to reserves not current year expenses. Karen will check.

V. Old Business

Ongoing Reserve Projects Status Report 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. Reviewing the draft Chairman Taousakis suggested eliminating page 1 and concentrating on the bottom part of page 2, which should show active projects, money committed, money spent versus budget (as in reserve study).

Resale Fees: Kenya indicated that the fee rate can change annually (by State Law) making it harder to track fees. Jamie Valentine (sp?) at CMC has tracked fees since 2013. She has been on vacation, so Kenya will reach out to her before the next meeting. Bill B. compared 2019 fees paid YTD with sales statistics from a prominent realtor and they appear to match, BUT 2018 seems far off (lower fees than home sales would suggest).

VI. New Business

Reserve Study: The next 2 hours was spent reviewing version 22 of the Miller Dodson 2019 Reserve Study

The study recommends a funding for 2019 of $354,992 increasing to $378,120 in 2020. This is above the minimum recommended annual reserve account balance. By contrast, the current level of funding, based upon the existing reserve study is $333,600. Even though all project costs are in present dollars the study uses a 2.3% rate of inflation throughout the 40 year study life to project overall construction costs.

The study recommends a minimum balance of reserves be approved by the board of approximately $351,000, which is the average annual expenditure for the 40 year study period.

Roads: The first major and most impactful change from previous versions is spreading the timing of road milling and overlays to years 2020-2023. The Chair offered a city street map which indicated that Woodland Hills Alley and Yarrow Lane (?) were city owned property. We need to determine whether they are condo, city or CMCA responsibility. Currently, Woodland Hills Alley is not included in the reserve study.
The road Sealcote has been removed from the study as it represents significant cost, great community disruption, and offers no demonstrated road lifetime improvement.

CMC should ask other large private communities that have repaved roads about their experiences including any differences between reserve study estimates, bid costs, and final actual expenditures, so that we may more accurately forecast our project costs. Can we get such input from up to 5 different communities (Karen to evaluate)?

Karen has recommended that given the size and cost of the road project that we hire an engineer to help manage the project, either as a consulting engineer or project manager.

We should begin to solicit bids now for a 3 year fixed price construction project. Negotiated payment terms can be a part of the ultimate contract.

**Sidewalk Repairs**: Brick sidewalk repairs on the three city owned streets are the city’s responsibility and we all have observed recent repair work underway on Breneman. The Chair has recommended an annual budget for brick repairs of $45,000/year, which is double the actual 2018 expenditure level. Sidewalks in front of the condos are their responsibility, but are they excluded from the study, and are the condo’s aware of it?

Mark has recommended that when repairs are made that a large section of sidewalk (a full block at a time) be removed and reset (with broken bricks replaced in a random pattern) at one time. Karen will review various repair methods with Mark.

Mike wants to make sure that CAC does NOT authorize any sidewalk repairs on city streets without first speaking to Karen.

**Irrigation System**: The total cost has been reduced to $310,000 from $350,000, the project was separated into two components ($210,000 for piping, valves, etc. and $100,000 for controls and instrumentation), and useful life extended, so that the bulk of the costs are incurred only once in the study period. But, given that roads would need to be torn up to install new irrigation pipes, it is strongly recommended that the project be done before street milling and overlay. The project will take six months to complete. Karen should also begin the bid solicitation process.

**Pedestal Mailboxes**: The cost to replace is $1800 per unit ($108,000 total). The post office owns but we can replace as long as it meets their minimum standards. Project is scheduled in year 17 of study (2035).

**Locker Room Renovations**: Karen has recommended that we delay the project until after the roads have been completed.

**Storm water Management**: Study includes $100,000 in cost and we have no further information on necessity, timing, and project at this time.

**Tree Replacement**: Study estimate of $25,000/year is reasonable and acceptable.
Other Projects: Karen will review and “tweak” timing, necessity, and costs on other projects including: swimming and wading pool coping, exercise equipment, locker room equipment, and basketball court floor.

We all then discussed the overall ability to fund the study’s recommended projects in their entirety over the study period. It was concluded that it appears that, given the cash flow impact of the changes made to date, we would be reasonably well positioned to fund the projects with modest (as yet to be calculated) increases in HOA fees and without special assessments.

Meeting was adjourned at 9:42 PM.