MEETING MINUTES

I. Call to Order
   a. The meeting was called to order at 7:03 p.m.
   b. Members Present: Chairman Takis Taousakis; Joan Lampe; Bill Blumberg; Alex Cebotari; Jeff Gathers
   c. Absent from Meeting: Fred Blum
   d. Others Present: Martin Menez, Board Treasurer and Board Liaison; Karen Soles, Community Manager; Todd Branson, Assistant Community Manager

II. Approval of Agenda
   a. The agenda was approved unanimously, with changes by as proposed by the Chairman.

III. Approval of Previous Month’s Minutes
    a. The August 26, 2019 meeting minutes were approved unanimously.

IV. Resident Open Forum
    a. Andrew Hill, Candidate for FAC Vacancy presented his qualifications for membership. Andrew is currently with Deloitte and experienced in auditing “incurred costs by government contractors” and the preparation of financial statements. Mr. Hill also served most recently on the CSCA Board of Directors’ Ad Hoc Management Company Search Committee with Ms. Lampe. Mr. Menez stated he was very impressed with both Mr. Hill’s and Ms. Lampe’s questions and participation on the Ad Hoc Committee. Mr. Hill indicated he had reviewed the FAC Charter, past year’s committee minutes, and monthly financial statements. He has an interest in contributing to the community association.

    b. Gregory Hillson arrived at the meeting at 7:25 PM to review his FAC candidacy and qualifications for the open position. Mr. Hillson stated his concerns for the existing internal accounting controls used by the onsite office and feels he can be of support to offer solutions. He further expressed his appreciation to both Ms. Soles and Mr. Branson for meeting with him recently to review the CMC onsite office operations.

    Mr. Hillson indicated the FAC monthly minutes were helpful and appreciated the “Post-Mortem” report prepared by the FAC; however, he has concerns over the past practices relating to the 2016 HOA
financial results, and accounting for event costs, including the 20th anniversary party. Other concerns held by Mr. Hillson included the construction management project of the John Ticer gazebo and the extended timeline for completion. The committee asked various questions of Mr. Hillson and discussion occurred.

Mr. Cebotari departed the meeting at 8:18 PM.

V. Review of Financial Results
   a. The Committee reviewed the August 31, 2019 financial statements together with the answers to the Variance Report, as outlined by Ms. Lampe from the previous month. Ms. Soles has not completed the Variance Report and still requires time to investigate certain operating revenue and expense accounts. The Variance Report will be sent to the FAC members in the next week. The specific items reviewed in the Variance Reporting by CMC included:
      i. The method used to calculate the AR (Accounts Receivable) delinquency rate, and whether it is consistent with the methodology recommended by the auditors (i.e. of major delinquency driver for July is still outstanding).
      ii. Discussion of the fluctuations in the AR balance, especially in July. The condo association management company’s delay in payment results in these occasional ‘bumps” in the AR balance. As the FAC members agreed, the first month of every quarterly cycle reflects the impact of the late condo payments.
      iii. Mr. Menez stated the condo association delinquency offenders will be paying 18% per annum for late payments; however, it is the responsibility of the condo association and its management company to pay the fees on time.
      iv. CMC Management proposed two options to isolate the condo AR Issues: Ms. Soles can attend the next condo board meetings to put the discipline in place; or breakout the AR balances in two separate lines to give visibility to the condo balances.
   b. The total year to date net income for the 8-month period ended August 31, 2019 is $21,528.02, as compared to the year-to-date budgeted loss of ($21,136.06), which is a favorable variance of $42,664.02.

VI. Old Business
   a. Resale Processing Fees
      Mr. Blumberg reviewed the Resale Processing Fee analysis and updated the committee on his analysis. Based on information provided by a major CSCA realtor as compared to the historical financial information given by CMC, Mr. Blumberg cannot explain the
fluctuations in the Resale Processing Fee income for years prior to 2018.

b. Reserve Fund Investment Worksheet
Mr. Menez stated the larger CDs are rolling over soon, and the committee needs to finalize the larger capital projects (Milling and Repaving; Irrigation). These two projects are very intertwined. The Community also needs a project matrix that includes a separate list of the project backlog due to the number of items that have been delayed. The funds are available, but projects were delayed in the prior years because of other management priorities.

c. 2019 Reserve Study Update
The committee addressed the latest Reserve Study update and two significant items: Repaving and Irrigation. CMC currently has one estimate on streets and a new estimate for irrigation. A discussion followed on the estimates for the Repaving work, and the RFP outline prepared by Todd Sinkins, outside counsel.

The Chair restated that a project list is essential to begin tackling the larger project work beginning in 2020, especially if the road work is spread over a three-year period. The committee also agreed a final decision needs to be made on the irrigation system for the community, since this work overlaps with the road work and planning is essential.

d. 2019 Repair & Replacement Reserve Project Updates
See comment above concerning the Project Tracking List

VII. New Business
a. Special Board Meeting: Budget 2020
The committee members expressed concern due to the work overload for the CMC Management office. The problem has persisted, and the current budget preparation for 2020 is still in a state of flux. Both the new Community manager and Assistant Manager are struggling to manage the daily workload and keep up with the demands and deadlines. The FAC continues to discuss additional staffing positions if current position incumbents are at capacity. The FAC has requested Ms. Soles to estimate the costs for an additional position.

Ms. Soles indicated the Board Chair has requested a Special Board Meeting to approve the CSCA 2020 budget on October 15, 2019. The FAC will need to have an additional budget meeting prior to that date to complete its work.
b. FAC Meeting Date
   The FAC Chair requested that future committee meetings be changed to the Monday before the CSCA BOD meeting, instead of the Thursday before the BOD meeting. This change would not take place until the beginning of the year; however, member feedback was welcomed.

c. CSCA Investment Policy Review
   Due to Mr. Blum’s absence, the Investment Policy will be reviewed at the October FAC meeting.

VIII. Review Draft Budget Proposed Budget for 2020
      Ms. Soles stated the open questions related to the CSCA budget for 2020 will be addressed by the end of September. The next FAC Budget Work Session is scheduled for October 7th at 7 PM. This meeting will be advertised to the CSCA residents and Committee chairs will be invited to present their budgets.

      The FAC meeting adjourned at 9:20PM for Executive Session.

IX. Executive Session ended at 10:00PM

X. Meeting adjourned 10:15 pm