The Cameron Station Community Association

Financial Advisory Committee (FAC)

October 17, 2013 Meeting Minutes

I. Meeting Called to Order—7:14 pm by FAC Chairman, Jeff Gathers.
Members Present: Mahl Avila, Aldo D’Ottavio, Harry Glenos, Liz Johnson
Members Absent: Kyle McKuhen

II. Approval of Agenda: Motion passed unanimously

III. Approval of the September 19, 2013 Minutes: postponed pending finalization of minutes

IV. Resident Open Forum: Joe Chesney applied to become an FAC member. He introduced himself as a veteran USAF officer with an IT management background.

V. Review of Financial Reports
   a. September 2013 Financials
      i. Key item variances:
         1. Water and Trash Service accounts were both well below budgeted for the month, expected to catch up later in the year.
         2. Tree/Shrub spending is nearly $7,000 over budget for the year, expected to balance out by end of year.
         3. Transportation (‘TMP’) over budget due to emergency contract replacement.
      ii. Overall budget is $88,878 favorable for nine months; surplus expected to be reduced in fourth quarter as summer billing items catch up.
   b. The committee again reviewed a graphical analysis prepared by Harry Glenos to supplement and highlight the management reports. The committee expressed appreciation for management’s timely provision of the Excel-formatted data (in addition to the standard reports) and for Harry’s efforts in preparing the exhibits.

VI. Old Business
   a. Investment Policy Document Update
      i. Consideration of the proposed policy will be postponed to 2014 in light of the announced change-over in the Treasurer’s post and at least two other Board positions.
   b. Reserve Study Update—The onsite review took place on Monday, August 12. The FAC met with the Board on October 9 to review the report. The new study extends the projections 30 years instead of the former 20, which resulted in significant changes to the profile of projected reserve expenditures. Bulges in the expenditure stream are projected for 2018-2020 and again in 2036-2041 -- all driven by expected significant road repaving work. The engineer’s projections need some re-working to factor in the present pattern of 4% annual increases in the reserve contribution and to factor out interest income, which is streamed to the operating budget rather than the reserve fund. Jeff Gathers is working on this. Even with these changes, the study calls for higher
contributions than previously anticipated. The Board will have to consider how to schedule future increases in the contribution once the projections are finalized.

c. Budget Schedule
   i. Management is finalizing the budget for Board approval at its October 22 meeting.
   ii. The FAC believes the reserve contribution figure will need to be increased, but not as much as the reserve study engineer recommended based on preliminary projections.

d. Auditor contract
   i. The FAC previously recommended to management a change in auditors to freshen the independence of the auditor view. The present auditor has been in place for many years. In a response to solicitations, a number of auditing firms with community association experience have provided introductory engagement offerings. The FAC has had limited time to review these prior to the Board’s review and scheduled decision at its October 22 meeting.

VII. New Business
   a. New FAC member
      i. The FAC heartily endorsed his approval by the Board.

   b. Major tree replacement project
      i. The Common Area Committee would like to add approximately $120,000 over six years in expenditures from the Repair and Replacement Reserve to replace the mature sycamore trees that are creating a nuisance of falling leaves throughout the year. The FAC will take this request into consideration, which if approved, would represent a significant increase in the expenditures in the near-term years of the reserve study’s projected expenditures. Further information is needed regarding the project, including the impact on the community environment and the grounds, walks and streets from taking out mature trees and planting new ones.

c. There was no other new business.

VIII. Adjournment: 8:31 PM