I. Call to Order
   A. The meeting was called to order at 7:07 pm by Financial Advisory Committee (FAC) Chairman Jeff Gathers.
   B. Members Present: Mahl Avila, Joe Chesney, Aldo D’Ottavio, Jeff Gathers.
   C. Members Absent: Harry Glenos, Liz Johnson, Kyle McKuhen.

II. Approval of Agenda – A motion to approve meeting agenda passed unanimously.

III. Approval of Meeting Minutes – Motions to approve the meeting minutes of the 19 September 2013 and 17 October 2013 FAC meetings were unanimously approved. A motion to approve the meeting minutes for the 9 October 2013 Budget Meeting with the Cameron Station Community Board of Directors and Community Management was also unanimously approved.

IV. Resident Open Forum – No residents were present at this meeting of the FAC.

V. Review of Financial Reports – October 2013 Financials
   A. The new Association treasurer will be chosen by the Board of Directors at their next meeting on December 9th.
   B. The variance of the net income (+$77k) is not expected to remain that high at End-of-Year. Some accounts are behind the budgeted amounts simply because the billing has occurred later than anticipated, which shows as a surplus. Owners’ equity is expected (by the chairman) to finish the year in a range of $40k to $50k.
   C. Actual delinquent assessment balance is about 2.65% – slightly above the Association’s historical range of 1% to 2%, but well below the industry average of 5% and the auditor’s preferred figure of 3%.
   D. In a recurring item of discussion, it was discussed that the length of time required to generate financial reports interferes with the analysis of the reports by the FAC in time for the Board meeting. The helpful graphics that Harry Glenos produces from the raw data were missed in his absence.

VI. Old Business
   A. Reserve Study Update and Budget Update
      1. The current funding plan in the Association budget has annual reserve contributions at $234k for 2013. The suggested funding plan in the reserve study increases this to $305k for 2014, and then increases reserve contributions by 2% per year through 2042. An alternative funding plan to that in the reserve study was also discussed. The alternative would increase the projected reserve contribution in 2014 to only $265k, and then has 5% increases in the years 2015 to 2019, and 3% per year thereafter, thereby spreading the pain a bit. The Board
relied on this alternative plan in setting the reserve contribution in the 2014 Budget, as approved at the 22 October 2013 Board meeting.

2. The surges in budgeted expenses in 2018-2020 and 2037-2039 are due to street paving that is projected to be required in those years.

3. Although the increase in reserve contributions in the reserve study is higher than many preferred to see, this reserve study by a licensed engineer was paid for by the community, and should not be disregarded.

4. The 2009 - 2013 annual reserve contributions have been based on the previous reserve study, which only extended 20 years and did not include paving in 2037-2039, and also budgeted less for the 2018-2020 street repairs sidewalks. It was noted that the Association only pays for private community streets; city streets are maintained and replaced by the city of Alexandria.

5. If expenditures by the Association cannot be paid for with reserve funds, then it would be necessary to either make special assessments or borrow money. The committee disfavored these alternatives.

B. Bid of Audit/Tax Filing Contract – The decision was made by the Board to renew the contract with Goldklang, subject to the agreement that they replace all principals working on the contract. Goldklang – the Association’s current auditor and tax preparer – was the lowest of the three bidders, and they have a solid reputation in the community association practice. The new contract is a two-year commitment.

VII. New Business – Next Meeting Date
   A. Traditionally, there is no December meeting for any of the Committees.
   B. FAC will meet in January on its regularly scheduled day if the financials are completed on time.
   C. It was discussed whether the Committee wanted to have a social December meeting. This was left open, as something to be determined over the next week or two.

VIII. Adjournment – The meeting was adjourned at 8:27 pm.