Cameron Station Community Association – Financial Advisory Committee (FAC)

19 June 2014 – Meeting Minutes

I. Meeting Called to Order: 7:01 p.m. by acting FAC Chairman Harry Glenos.
Members Present: Mahl Avila, Josef Chesney, Kyle McKuhen, Ted Pickett
Board Liaison Present: Megan Brock (Treasurer)
Members Absent: Aldo D’Ottavio, Jeff Gathers

II. Approval of Agenda: Motion passed unanimously

III. Approval of Minutes from May 2014 meeting: Meeting minutes still out.

IV. Resident Open Forum: None present.

V. Review of Financial Reports:
   ▪ The committee reviewed the May 2014 Financials, including a focus on the snow removal line item, which will likely remain a variance for the rest of 2014. Discussion also focused on considering other options to save for long-term, unexpected snow removal costs, given that there can be large variances year over year.
   ▪ The FAC also recommends a further look at the Trash and Recycling Service, seeking clarification from Colleen about the incidence of these expenses.

VI. Old Business

a. Investment Manager Solicitation Process
   ▪ The onus to begin this process remains with the FAC. Harry Glenos will start the process to develop an RFP for submission to banks that are nearby to Cameron Station. Because Harry works for a federal bank regulator (Office of the Comptroller of the Currency), he will ultimately have to exclude himself from the selection process.
   ▪ This process could lead to consideration of other investment options besides the CD-dominated portfolio that Morgan Stanley has maintained for the community in recent years.

b. CMC Contract Renewal Process
   ▪ This draft renewal document was sent to the entire FAC team earlier in the month for review.
   ▪ Among the concerns for the FAC are the lack of transparency into some of CMC’s processes (account locations, dues and banking fees), as well as how to effectively compare the full cost of Cameron Station’s dedicated CMC staff against the costs of competitors.
   ▪ The FAC also questioned why the contract would last for five years, versus another (shorter) period.
The FAC team will review this document over the next week (before 25 June) in order to provide feedback about any other specific concerns.

c. Board Meeting Dates; July FAC Meeting

- The FAC reviewed the FY 2014 budget schedule, a document showing Board, FAC and Committee representatives’ meeting dates.
- The next FAC meeting date will be 24 July. This is the first FAC meeting affected by the revised formula for scheduling Board meetings.
- The FY2015 Budget Request Form was also reviewed.

d. Ambit Energy et al.

- This company recently made a presentation to the Board. Follow-up will include, among other issues, a review of Virginia state law to determine potential liability exposure for the community. The FAC chairman had volunteered the committee’s assistance in conducting further research.
- Concerns center on reliability of supplier and service, and potential risks for the Board and CSCA in becoming involved in any way in individual resident owners’ choice of natural gas supplier.
- Ted Pickett volunteered to be the primary reviewer of this company and market as a potential option for the community.

VII. New Business

a. Draft Audit

- Mahl Avila will spend some extra time reviewing the Draft Audit document dated 18 June 2014. The overall FAC will review and provide comments on the draft.
- The primary issues discussed related to the adjusted trial balance section (last handful of pages of the report).

b. 2015 Budget Calendar

- This was reviewed earlier in the meeting.

c. Additional CD Maturities/Reinvestments

- The committee reviewed the Morgan Stanley Client Statement for May 2014, as well as the “Recommended Ladder” document detailing current and proposed CD investments.
- Unless there are significant issues from the FAC, Megan Brock will follow-up on the next steps, including a likely meeting with the Morgan Stanley representative (Ted Hart) in July.

d. FAC Meeting Times

- The committee discussed possibly considering meeting earlier or later, given that one or more members may have difficulty arriving by 7pm. A specific alternative (7:30 p.m. start) was discussed, but no motion was offered.

e. Reserve study follow-up
The FAC has not received final confirmation about the status of the reserve study, including the approved spreadsheet of when expenses are expected. This would aid in making decisions about CD and investment timing.

VIII. **Adjournment:** The chairman adjourned the meeting at 7:55 p.m.