Cameron Station Community Association – Financial Advisory Committee (FAC)

24 July 2014 – Meeting Minutes

I. Meeting Called to Order: 7:08 p.m. by FAC Chairman Jeff Gathers.
Members Present: Mahl Avila, Joe Chesney, Kyle McKuhen, Ted Pickett
Board Liaison Present: Megan Brock (Treasurer)
Members Absent: Aldo D’Ottavio, Harry Glenos

II. Approval of Agenda: Motion passed unanimously

III. Approval of Minutes from May and June 2014 meetings:

- 22 May 2014 FAC meeting minutes approved.
- 19 June 2014 FAC meeting minutes approved.

IV. Resident Open Forum: None present.

V. Review of Financial Reports:

- The committee reviewed the June 2014 Financial results as documented by the Community Manager. The chairman pointed out that – as has been the case most of this year – there are a significant number of expense accounts with favorable year-to-date budget variances. For the majority of these accounts, the Community Manager’s notes indicate that the variance is largely attributable to the actual payment schedule running behind the budget spread assumptions. If all of these accounts were to “catch up” by year end, the net loss for 2014 could exceed the current projection of $8,800 by another $35,000. At the same time, there are a few income accounts with favorable variances that appear likely to increase during the remainder of the year, thus offsetting some of the expense losses. Note also that if every account except snow removal were exactly on budget for the full year, the net loss for the year would be roughly $48,000, plus the cost of any snow removal expenses incurred this fall. This implies that the management of controllable expenses overall is generally favorable.

VI. Old Business

- Investment Manager Solicitation Process
  - The onus to begin this process remains with the FAC. In consultation with CSCA Management, Harry Glenos will continue to develop an RFP for submission to banks that are nearby to Cameron Station – as well as to one or more larger investment companies.
  - The FAC also discussed what other type of government-backed securities (besides CD’s) could be considered for investment.

- CMC Contract Renewal Process
  - This draft renewal document was sent to the entire FAC team earlier in the month for review and is expected to be executed shortly by the Board.
Ambit Energy et al.

This topic was discussed in depth. Based on research to date by several FAC members, a strong consensus has formed within the committee. For multiple reasons, the FAC will not recommend pursuit of a relationship with Ambit Energy, or other similar alternatives, at this time.

We understand that Management has the ongoing obligation to select cost-effective providers for the utilities required to operate the Association’s common areas and buildings. We see no overriding reason that a future engagement with an alternative provider to Washington Gas, Dominion Power, Virginia American Water or Alexandria Renew Enterprises would never make sense. At this time, however, we see significant potential disadvantages and no reliable advantage in the cost or service terms on offer for natural gas supply services from Ambit Energy.

More important, the FAC believes that the Association should never become involved in the marketing or selection of utility providers for individual owners in the community, regardless of any financial incentives offered by companies such as Ambit Energy.

2013 Draft Audit: Release to Board

The FAC completed review of the 2013 Draft Audit without changes, and Chairman Gathers will follow-up with Colleen.

Budget Calendar

The FAC reviewed the FY 2015 Budget Dates schedule, a document showing Management, Board, and FAC meeting dates. Chairman Gathers encouraged FAC members to attend the 13 August Budget Meeting at 7pm.

VII. New Business

Reserve Study Refinements

Chairman Gathers will be meeting with Colleen as soon as the first draft of the budget is complete. Some of the concerns focus on what is and is not included in the 2013 reserve study (one example - 15-year old trees and their potential need for replacement).

29 July Board Meeting

Megan Brock (Treasurer) will be at the Board meeting; Chairman Gathers cannot make it, but Ted Pickett will attend.

VIII. Adjournment: The chairman adjourned the meeting at 8:36 p.m.