

Date: July 29, 2016

Memorandum For: Crosspointe Board of Trustees

Subject: July 26, 2016 Budget & Finance Committee Meeting Minutes

1. The Budget & Finance Committee conducted a scheduled meeting on July 26, 2016 in the Crosspointe Community Center (CPCC).
2. The meeting was called to order at 7:30 PM with a quorum present.
3. Meeting attendees:
  - a. Phil Ciarlo – Committee chair
  - b. Mike Malachowski - Committee member
  - c. Brian Riley, BOT Treasurer/committee member
  - d. John Cewe – BOT liaison/committee member
  - e. Heather McDevitt – Community manager
  - f. Francesca Kenney - FirstService Accounting representative
4. Resident Input/Remarks: Other than committee members, no other community residents attended the meeting.
5. Old Business: None
6. New Business:

- a. Discussion with FSR Accounting representative of B&FC's Request for Reporting Monthly Interest Separately for Operating Reserves and Capital Replacement Reserves.

Discussion with FSR Accounting representative of B&FC's Request for clarifying and achieving consistency in various General Ledger/Trial Balance Report Account Titles.

The above items were discussed with Francesca Kenney to communicate and achieve an understanding of B&FC requests for clarification and consistency in naming conventions/titles across all financial documents and reports. Ms. Kenney will review the ability to tailor/adapt FirstService's accounting system titles and inform management if the requested adjustments can be achieved.

- b. Review and Discussion and of the Pipestem Escrow Account and Need for Assessment Increase in 2017:

It was noted that although the association articles allow a maximum annual (escrow) charge of up to \$1.10 per square foot per year, the current escrow charge to pipestem residents is only \$.10 (10 cents) per square foot. It was generally agreed this was an insufficient level and it should be increased for the next budget year. The BOT will be informed an increase will be recommended and details presented as part of the FY2017 budget development process.

- c. Discussion of Items/Guidance Board Discussed for the 2017 Budget (community patrols and other items): These items were briefly identified and will be addressed in the FY2017 budget development cycle
- d. Discussion of Market Survey for CP Account Manager: While there is no dissatisfaction with the current Morgan Stanley management, B&FC will review available options in support of BOT due diligence responsibilities. As part of this process, FirstService Financial representative Andrew Ahrensdorf will be invited to present options for consideration at the September 22, 2016 B&FC meeting.
- e. Review of 2016 Budget Execution to Date - No issues were identified
- f. In accordance with the FY2017 Budget Development Schedule, the next Budget & Finance Committee meeting will be held at 7:30 PM September 22, 2016 in the CPCC to begin the review of committee input to the draft FY2017 budget.

7. The meeting adjourned at 9:30 PM

**Summary:**

BOT should plan to increase the pipestem assessment during the FY2017 budget cycle in accordance with association guidelines, pipestem resident homeowner considerations, management input, and B&FC recommendation in the FY2017 budget cycle

B&FC will receive a presentation from FirstService Financial at the Sep 22 meeting regarding options for management of association reserve and cash accounts

Management will follow up with FirstService Accounting regarding the possible adjustment/modification of financial document report account/line names/titles to achieve desired standardization/consistency