

TEXINS ASSOCIATION CLUBS
Board of Directors Meeting
February 3, 2005

Present (*) Not Present):

Directors

Alesia Carroll
Carl Skooglund
Kim Smith (*)
Ron Tabor
Christine Marshall
Ingrid Jenkins
Mike Mignardi

Staff

Marcia Flowers
Pam Blair
Monica Arnoult (*)
Rebecca Cooper

Other

Chuck Roth

Agenda Items

Meeting Minutes Approval

The January BOD meeting minutes were approved.

Financial Report

All clubs are in the black. The Triathlon Club, which has disbanded, shows a balance of \$0. An expense of \$51k by The Flying Club to pay off their airplane loans was the largest expense item in December, 2004. The Association's total liabilities and equity is \$1.2M. The Association has two outstanding loans: The Flying Club's insurance and the Texoma Club's retaining wall. Depreciation on the Texoma Club's well project has not been accounted for at this time and will be done as a December, 2004, entry.

Insurance Update

Ron and Alesia have meet with Neil Kieran. Neal is working with a former insurance colleague – Roger Hunt (in Sherman, TX). The current policy shows assets of \$425k. An address on our current policy seems to indicate that the TI Activities Center in Sherman, TX is considered as part of our assets. Mr. Hunt indicates that our truck insurance policy with State Farm is good and no change is needed. If the Texoma Club is considered a home owner's association, we can reduce our insurance premium for this club by ½. We need to have Roger work out the details for the following clubs: Outdoor, Dive, Sailing, Archery and Texoma. The Flying and Dive Clubs already has their own insurance. Should the clubs carry basic liability as well as special event insurance? The BOD believes if we leave the special event insurance up to the clubs, they will never get it. We are basically looking for a nice liability umbrella for all of the clubs. We also need to get Roger a complete asset list of all the clubs. March 18, 2005 is when our current policy expires.

Actions:

1. BOD: Deliver asset list to Roger
2. Christine: Check on the value of climbing wall.
3. Roger Hunt:

- a. Insurance policy premium with property deductibles of \$500 and \$1000.
 - b. Personal injury – is our policy written such that a person’s personal medical insurance covers first in case of a personal injury event?
 - c. Liability: Does our policy cover for activities on and off TI’s premises?
 - d. Inland marine portion of policy: Start from scratch.
 - e. Break out liability for Texoma vs. all others – exclude the Dive and Flying Clubs
4. BOD: Do the Dive and Flying Clubs’ liability policy cover their members for on and off TI’s premises?
 5. BOD: Provide Alesia with other inputs before Tuesday, 2/8/05.
 6. Alesia/Pam: We need to have a new policy ready to go before our next BOD meeting.

Golf Club Advances

Chuck Roth visited with us to discuss this club’s advances. Here is a summary of what Chuck discussed:

- He organizes 20 tournaments per year.
- Each club wants a security deposit to hold the date of the tournament
- Each club wants all money paid in advance for the tournament
- Chuck cannot get people to commit to a tournament 1 month in advance.
- Sometimes people commit and then don’t show up for a tournament.
- There is no treasurer in this club.
- There are no membership dues

From an Association standpoint, the advance policy we have in place is being applied to all clubs except the Golf Club. Thus, we are not following our own bylaws. The main issue with providing advances to the Gold club involves the paper trail of where the money goes as well as a loss of interest on the money. To date, Pam has provided the Golf Club with all of the deposits for 9 tournaments through August, 2005.

Options we discussed as a board:

1. Gifting the club \$3-5k to keep them with a large enough balance to cover all costs for the year. Not considered
2. Provide an advance for each tournament 1-2 months prior to the tournament and then reconcile the advance within 1 month. Considered
3. Allow the Golf Club to maintain a negative balance. Not Considered
4. Change our bylaws to allow for the Golf Club to receive larger advances. Not Considered
5. Have members pay membership dues. Not Considered
6. Have members sign up for tournaments >1 months. Considered
7. Insist that the Golf Club have a treasurer. Considered.

Chuck needs a response from the BOD by 3/5/05 in time for his first tournament.

The BOD also discussed the fact that this club is really not a club in the sense that there are club meetings. In essence, we feel that Chuck runs the whole thing and members simply sign up and meet one another at the various tournaments.

Action:

1. Alesia: Provide Mr. Roth with our decision by 3/5/05

Bylaws

Kim reviewed the bylaws and policies and procedures and looked it over for completeness and typos.

Action:

1. Alesia: Send to BOD for final approval.

Marketing Support

Rebecca provided an outline for Level I, II, and III marketing support for our clubs. Only Level I has no fee associated with it for each club. Many of the clubs are still not taking advantage of the many Level I support items.

Action:

1. Rebecca: Publish each of these three levels along with their cost structure.

Remainder of Meeting Notes Provided by Christine Marshall

Pool Resurfacing Schedule:

Alesia has the action item to check with Chris Hull on when the resurfacing of the pool is planned. The dive club expressed a concern that this not take place during their training season Spring - Fall.

Texoma Club Truck:

The title for the truck is in the Association name and Texoma would like to sell the truck. They would like to use the funds toward the purchase of a new truck. The board agreed that we would sign over the title to whoever purchased the truck, and the funds belong to the Texoma club to use for the purchase of a new truck.

Texoma Club 2005 Grant:

The Texoma Club asked if they could roll their grant from 2005 over to 2006 adding it to whatever grant money they receive in 2006. They underestimated the expense of the pavilion repairs and the \$15K the association gave as a grant in 2005 is not enough to pay for this expense. The board agreed that they can not roll grant money from one year to the next, this is against policy. They can however purchase materials in 2005 but not start the project in the same calendar year.

Flying Club Sales Tax:

The Flying Club must charge sales tax on plane rentals. They are not itemizing their deposits so we can't tell what amount is for sales tax. The sales tax has to be paid to the state by Pam so she needs to know what amount of money is for sales tax. This money

will not be deposited into the Flying Club's income funds. It will be held in a separate account. Ron has the action item to contact Bob, Treasurer of the Flying Club. He will inform him that we must at least have a break out of sales tax on their deposits, and the reason why.

Investment Portfolio:

Investment Portfolio: The association is invested in Taxable Bonds not CDs. We have 10 \$90K Taxable Bonds. The total value of our account is \$918,125.87. For 2004 our total income on these bonds was \$37,688.22.

The board decided that we need to do an analysis of the Associations finances.

What follows is the list of ideas that were proposed for consideration:

- put a cap on grants
- start talking to the clubs about becoming more self reliant
- diversify the portfolio by investing 1/2 more aggressively
- talk with TI about funding (Lola Chris - Interface between HFC and TI)

Previous actions that need closure.

TFC Loan Pay Off

Action:

1. Carroll: Communicate to the clubs that we do provide loans to the clubs at rates of 1% over the prime lending rate.
2. BOD: For future loans, consider a situation where we may provide a lower loan rate.

The meeting started at 11:36am and ended at 1:10pm. Our next board meeting will be on March 3, 2005.

Regards,
Mike Mignardi
Texins Association Clubs Board of Directors Secretary