

TEXINS ASSOCIATION CLUBS
Board of Directors Meeting
February 07, 2002

Present (* Not Present):

Directors

Carl Skooglund
Kim Smith (*)
Ron Tabor
Alesia Carroll
Jeff Asmus
Mike Mignardi

Staff

Marcia Flowers
Monica Arnoult

Other

Janet Solomon (*)
Nicole Columbus (*)

Old Business

Investment Opportunities and Options

Due to the fact that our association's cash balance is negative, we invited Bruce Melton of A.G. Edwards & Sons, Inc. to discuss with us a number of investment opportunities. A.G. Edwards & Sons, Inc. is the oldest and largest investment firm outside of New York. They are a fee based business – they make money from bank's service fees (i.e, they do not charge a specific rate). Currently, Vazir has approximately \$840k invested in 3-month CDs. Obviously, these short term yields are low. Many of these CDs are maturing in the next 2 months. We as a group decided to roll the CDs over into another 3-month CDs until we have more firm plans on what we want to do.

We need to determine the amount of aggressiveness we are willing to take and the type of investments our association can make. We need to determine our future capital needs and how much income is needed to support our activities. We should consider pulling out the funds needed to sustain our operating cost and to use the remainder of funds for long term investment strategies. As a tax free organization, we should consider keeping the majority of our funds in safe securities. Bruce mentioned a rolling basis strategy based on a "laddered maturity." This is where 20% of our funds would be locked in for 1 of 5 years. We also need to recognize that we cannot take out a CD where the principal and interest exceeds \$100k – due to FDIC insurance limits. Some of the other investment vehicles Bruce mentioned were AAA corporate bonds, government bonds and stocks.

Actions:

1. (Melton) Bruce to send Marcia an example copy of a tax free organization investment policy for our bylaws.
2. (Arnoult) Provide us with a record of our expense and income history.
3. (Skooglund) Meet with Bruce to discuss more specific investment strategies.

Texins Sailing Club Bylaws and Reciprocal Membership Proposal

Carl communicated to Tom that a reciprocal membership would not work but a reciprocal use of equipment and facilities would. We received the latest copy of the "Texins Sailing Club Bylaws" and found it difficult to determine what specifically had changed.

Actions:

1. (Skooglund) Contact Tom to specify what has changed in the bylaws.
2. (Skooglund) Determine if our insurance covers damage done to our boats by the White Rock Sailing Club and if we do damage to the White Rock Sailing Club facility.

New Texins Board Member Recommendation

Eric VanDuivendyk has accepted his nomination as a board member. His first meeting will be in March.

Financial and Insurance Status Update

In October of 2001, we were notified that our insurance would expire for all Texins Association Clubs on 12/31/01. With the help of TI, Carl was able to get an extension of our insurance until mid-February. All clubs have now sent in a list of their liable property. According to Ron and Jeff, this type of insurance scenario has happened before. We need to manage this better in the future.

Apparently, the Texans Credit Union will not allow Marcia and Monica access to account information. We need to ensure they have the same access privileges as Vazir.

Marcia also mentioned that they will likely need to hire a computer programmer to help clean up our date based.

Our Master Card is now cancelled. Monica uncovered a Visa Card and we decided to keep this for 1099s. We do not think we have any more credit cards.

Marcia has found the truck title and is verifying that the insurance policy and VIN match. Our plans are to first offer the sale of this truck to TAC members for personal use at a fair market value.

Monica mentioned a desire to have our clubs adopt HFC's financial system. Overall, this will make accounting easier for the clubs. We decided to offer this to the clubs and set them up at the end of the year. A disadvantage into doing this is that we (the board) have more visibility into a club's expenses.

Action:

1. (Arnoult) Review financial and insurance update in more detail at our next meeting.

2. (Arnoult) Suggestions for preventing insurance lapses in the future.
3. (Skooglund) Contact Texans Credit Union to give Marcia's team access to our account.
4. (Flowers) Status of truck insurance.
5. (Flowers) Status of financial system use by our clubs.

Communication and Promotional Activities

In the February 2002 edition of "What's Up," there is a whole page dedicated to a number of our clubs. There is also a special mention of the Sailing Club's upcoming "Kick-Off" meeting. Also in the February 2002 edition of "Health and Fitness," the Outdoor Club is mentioned as a club to contact for outdoor activities.

Club Social

We agreed the next club social would be in March. Carl has suggested either Wednesday (3/27/02) or Thursday (3/28/02) from 6-8pm at the Expwy Activity Center.

Action:

1. (BOD) Decision on date and specific activities.

New Business

New Meeting Day

Due to a conflict with Kim's schedule, we are considering changing our board meetings to the first Tuesday of each month – from 11am – 1pm.

Action:

1. (BOD) Provide Carl with input as to whether this works for you.

The meeting started at 11:14am and adjourned at 12:52pm. Our next BOD meeting will be on either Tuesday 3/5/02 or Thursday 3/07/02.

Regards,
Mike Mignardi
Texins Association Clubs Board of Directors Secretary