

TEXINS ASSOCIATION CLUBS  
Board of Directors Meeting  
April 02, 2002

Present ( \* Not Present):

Directors

Carl Skooglund  
Kim Smith  
Ron Tabor  
Alesia Carroll  
Jeff Asmus  
Eric VanDuivendyk  
Mike Mignardi

Staff

Marcia Flowers  
Monica Arnoult

Other

Janet Solomon (\*)  
Nicole Columbus (\*)

**Old Business**

**January/February Financial Close**

Marcia and Monica reviewed the Texins Association Clubs balance sheet for the periods ending 1/31/02 and 2/28/02. Our net income after taxes was \$52k and \$25k for January and February, respectively. Much of this income is due to the fact that many of the clubs collect dues and turn them in at the beginning of the year. To date, none of the 2002 capital and improvement allocation budget has been used by the clubs.

**Club Social Meeting**

We decided to further delay the club social meeting until June. Kim Smith agreed to coordinate the event and has selected at date of June 12, 2002 (Wednesday) from 6-8pm in the Dallas Texins HFC (conference rooms 1 and 2). Potential agenda items for the meeting involve club insurance, our recent investments, and further education on club publicity (we would also like feedback from the clubs on our promotional activities).

**Sailing Club Reciprocal Use Clause**

To date, there has been no additional progress regarding the reciprocal use between the Texins Association Sailing Club and the White Rock Sailing Club.

**New Texins Association Insurance Coverage**

We are now fully covered with a policy which began on 1/18/02. Tom Henderson of TI recommended our carrier – Marsh Advantage America. Based on Tom's suggestion, we did not shop for quotes. The previous yearly insurance premium was \$11k. Insurance has recently increased across the board – our new yearly premium is now \$16k. Based on other inputs, this is a very reasonable increase. For some reason, our prior policy did not have personal liability – we now have this. \$5k of this premium is for two business vehicles (\$4k is for the one truck we are trying to sell). General liability accounts for \$3.5k of this premium. We can put 40% of the premium down and then pay on a quarterly basis. We do not gain a discount by paying the entire premium up front. Our general liability is an

aggregate of \$4M worth of coverage. One nice feature of this new policy is that we have 90days to report the addition of new property. There is also a 180 day cancellation notice (so we don't have to scramble finding a new policy like we did this year). To our knowledge, our insurance does not cover anything with regards to the Flying Club – this needs verification. About 95% of the property insurance is a part of the Texoma Club – they pay their percentage of the insurance premium. The Inland Marine covers mobile assets such as the Sailing Club's boats and trailer on dry land. Based on our last Club Social, we need to explain to each club the amount of insurance they are each paying. We have clubs with no assets (e.g., Toastmasters), clubs with some assets (e.g., Dive and Sailing) and clubs with many assets (e.g., Texoma). We need to look at the member count for each club and assess the total insurance being paid by their respective clubs.

Action

1. Skooglund – is the Flying Club covered 100% under their own policy and not the Association's?
2. Arnoult – Financial breakdown of insurance premium being paid by each club.

### **Summary of New CD Laddered Investments**

The laddered CD investments we are using go out in 5-year increments. Our plan is to invest \$900k and keep \$170k in a liquid money market. There appeared to be an extra \$150k used by Bruce and we need to determine where this money came from.

Actions:

1. Skoolund, Arnoult, Flowers – meet to discuss all financial balances.
2. Skooglund – discuss with clubs at the social our investment plans.
3. Skooglund – plans for “investment strategy” for our bylaws.

### **IRS Application Status**

Our attorney, Kirk Manning has indicated to Carl that the challenge is to convince the IRS that the conversion to a social club is not a big change. Supposedly, everything has been submitted to the IRS.

### **Chase Manhattan Account**

Marica and Monica cannot close out this account without one Ron's signature.

Action:

1. Tabor – close out the account at Chase Manhattan.

### **Club Truck Sale**

A message has been sent to all club presidents indicating the sale of our truck to its members. This sale is for personal use only and taxes will be paid by the buyer. The bidding process begins on 4/24 through 5/1.

Action:

1. Mignardi - finalize sale of the truck by 5/3/02.

### **New Business**

#### **Eggstravaganza**

We are seeking feedback from HFC on the success of the Eggstravaganza event.

#### **Team Building**

We would like to begin discussions on team building events at TI. We would like to meet with Chris Hull to discuss events like the Corporate Olympics.

#### **Volunteering**

We would also like to invite someone in from The Volunteer Center to discuss club volunteer activities in the area.

Action:

1. Skooglund – invite individuals in for discussions on the above 3 items.

#### **Texins Association Clubs Expenditure Authorization**

Monica showed us a draft form for club expenditure authorization. We made a number of minor changes and approved the form.

The meeting started at 11:10am and adjourned at 12:34pm. Our next BOD meeting will be on Tuesday 5/07/02.

Regards,

Mike Mignardi

Texins Association Clubs Board of Directors Secretary