

**CAT MOUNTAIN HOMEOWNERS ASSOCIATION, INC**

**BOARD OF DIRECTORS MEETING**

**Date:** June 12, 2006

**Time:** 7:00p

**Location:** CMHOA Clubhouse, 6007 Mt Bonnell Rd, Austin, TX, 78731

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1. CALL TO ORDER: 6:52p. Present at the meeting were Mr. Adkins, Ms. Jastram, Mr. Johnson, Mr. Joseph, Mr. Oppenheimer, and Mr. Chargualaf.

Others attending the meeting were Ms. Anne Adkins and Mr. Clayton Ripley of BCP.

2. MEMBER FORUM: No issues or questions were presented by members.
3. APPROVAL OF MINUTES: Draft minutes for review, correction, and approval.
  - a. Reviewed 05/08/06 minutes of Board of Directors Meeting. Ms. Jastram moved to approve, seconded by Mr. Johnson, motion passed unanimously.
4. FINANCIAL REPORT: Discussion of Association's financial activities and status.
  - a. 2005 Financial Summary – Bounds, Chatelain, & Pharr, CPA's: Mr. Clayton Ripley of BCP provided a summary of the 2005 financial statements for the Association. Mr. Ripley indicated that BCP conducted a review and not an audit of the Association. The former consists principally of inquiries of Association personnel and analytical procedures applied to financial data, and it is substantially less in scope than an audit. Mr. Ripley suggested that the Reserve Fund is adequate; however, he stated that a Reserve Study should be completed as soon as possible. The CMHOA Reserve Committee currently is working on this study, which is scheduled to be completed in August. Mr. Ripley noted that the Association's cash reserves are adequate because they cover more than two months of expenses. Mr. Adkins suggested that excess cash reserve (i.e., more than two months of expenses) should be moved to the Reserve Fund, which has a higher interest rate. Mr. Ripley discussed several variances (e.g., utilities) in the financial statements, but noted that these were within limits. The year-over-year differences are due to usage, increased service costs, etc. Mr. Ripley noted that the Association's accounting practices (monthly dues collection) are not typical in that most Associations use semi-annual or annual dues collection policies. Mr. Adkins inquired about the risk incurred by the Manager, who handles all Association accounting and transactions. Mr. Ripley indicated that the Association's current system of checks and balances is appropriate and that he will consult with Mr. Bounds to formally define an emergency procedure in the event that the Manager is not able to perform the accounting tasks.
  - b. QuickBooks Conversion – Update: The Manager provided an update and statement from Ms. Mitchell, the QuickBooks teacher, which indicated that the Manager's QuickBook training goals have been completed. Mr. Ripley indicated that beginning balances for 2006 must be adjusted so the financial statements are correct. The Manager is working with Mr. Ripley to reconcile the statements so that reports can be created for 2006. The Board is awaiting these reports to approve the three-month validation period during

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- which QuickBooks records will be compared with records currently kept at Georgetown Accounting. Mr. Adkins moved to hire BCP to make adjustments to the financial statements and to stop using all other consultants during the last part of the transition to QuickBooks. Mr. Johnson seconded the motion and it passed unanimously.
- c. Dues Collection Services – Colonial Bank/CAB: Mr. Adkins and Mr. Oppenheimer provided a summary of their meeting with Colonial Bank. They indicated that Colonial Bank can accept several different forms of payment, post payments so the Manager can download them daily, and print coupon books annually for about \$2500. Mr. Oppenheimer stated that the Manager spends about a quarter of his time performing dues collection tasks and he suggested that the dues collection service would be cheaper, more efficient, and it would offer more payment choices to owners. Mr. Joseph noted that CAB did not make a proposal for dues collection services because our Association was too small. Mr. Joseph asked for time to do more research on Colonial Bank before the Board makes a decision. He will do this before the next meeting.
5. MANAGER'S REPORT: Discussion of Association projects, incidents, and owner issues.
- a. Native Sun completed installation of the indoor plants at the Clubhouse.
  - b. Ms. Jastram inquired about the Association having to pay to clean the Clubhouse carpeting after private functions. She indicated that all owners should not have to pay for cleaning that resulted from the negligence of a few owners. The Board discussed several options for recovering fees related to Clubhouse cleaning services. After this discussion, Ms. Jastram moved to increase the Clubhouse rental rate from \$35 to \$50 effective August 1, which covers cleaning service costs and increases in utility costs. Mr. Johnson seconded the motion and it passed unanimously.
6. OLD BUSINESS:
- a. CMHOA Insurance Coverage: Mr. Oppenheimer asked the William Gammon Insurance Agency to provide an appraisal of the CMHOA Clubhouse and other insured structures so that the insured amount in this year's policy is as accurate as possible. He has not received a reply and will follow-up with them.
  - b. CMHOA Reserve Study Update: Mr. Joseph and Mr. Adkins provided the Board with a summary of progress. The Reserve Committee has assembled a draft master list of Association assets and is developing maintenance schedules and replacement costs for these assets. The Committee will complete the study in August.
  - c. ECC Decision: Mr. Oppenheimer noted that the ECC's decision about the basketball goal on Association property at Hood Hollow is not enforceable unless it is recorded legally in court. Mr. Adkins noted that Mr. Thomas of the ECC also wants the Association's attorney and the Board of Directors to review the new ECC guidelines to determine what ECC decisions the Association will enforce.
7. COMMITTEE REPORTS: Status of committee activities
- a. Environmental Control Committee: Mr. Adkins provided a report for Mr. Harrison. He summarized an improvement plan for a home on a Twin Valley Circle lot. The structure has deteriorated and is in need of repair. The owner will present status of contractor selection at the next ECC meeting. Mr.

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- Oppenheimer indicated that he will contact Mr. Allen and ask him to serve as the fifth member of the ECC.
- b. Communications Committee: Mr. Joseph reported that the newsletter will be published as soon as possible. Mr. Oppenheimer asked that the change in the Board of Directors' monthly meeting time from 7p to 6:30p be included in the newsletter.
  - c. Social/Activities Committee: Mr. Joseph suggested that the Association Summer Social be held on Aug 13<sup>th</sup> from 5-8p. The Board agreed and Mr. Joseph will contact volunteers to begin planning this function.
  - d. Welcome Committee: No report.
  - e. External Affairs: No report.
8. NEW BUSINESS:
- a. APD National Night Out: The Board discussed possible involvement in the APD's National Night Out, which will be held on August 1<sup>st</sup>. The Board decided not to pursue involvement because this event was too close to the Association Summer Social date.
  - b. Closed Session: The Board convened briefly in a closed session at the request of Mr. Oppenheimer.
9. NEXT MEETING: July 10, 2006, 6:30p at the clubhouse.
10. ADJOURNMENT: Motion by Mr. Joseph, seconded by Mr. Adkins, motion passed unanimously. Meeting adjourned at 8:40p.

Minutes submitted by the Board of Directors' Secretary, Kurt Joseph.

THESE MINUTES HAVE BEEN APPROVED BY THE BOARD OF DIRECTORS.