

CAT MOUNTAIN HOMEOWNERS ASSOCIATION, INC

BOARD OF DIRECTORS MEETING

Date: September 11, 2006

Time: 6:30p

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

1. CALL TO ORDER: 6:27p. Present at the meeting were Mr. Adkins, Ms. Jastram, Mr. Johnson, Mr. Joseph, and Mr. Chargualaf. Mr. Oppenheimer was not present.

Others attending the meeting were Ms. Adkins, Mr. Dully, Mr. Harris, Mr. Hopper, Mr. Huth, and Mr. Prestwood.

2. MEMBER FORUM: No issues or questions were presented by members. Mr. Adkins asked that the Reserve Committee be added to the agenda as item 7f.
3. APPROVAL OF MINUTES: Draft minutes for review, correction, and approval.
 - a. Reviewed 08/16/06 minutes of Board of Directors Meeting. Mr. Joseph noted that the text of the motion to accept the Reserve Study was not included in the minutes. He will revise the minutes with this correction. Ms. Jastram moved to approve, seconded by Mr. Johnson, motion passed unanimously.
4. FINANCIAL REPORT: Discussion of Association's financial activities and status.
 - a. QuickBooks Conversion – Update: The Manager indicated that there were still 15 accounts with pre-paid dues that needed to be reconciled in Quickbooks. Mr. Johnson and Mr. Adkins suggested sending the dues back to the owners so these accounts wouldn't have to be reconciled and training costs wouldn't be incurred. Mr. Dully asked the Board to find a way to handle pre-paid dues given that they would provide interest income for the Association. The Board reviewed the general ledger and discussed the high costs of training and other expenses related to bookkeeping. Mr. Joseph noted that the Association had spent nearly \$7,500 in the past few months on QuickBooks training for the Manager and other accounting expenses. He also noted that this expense category was more than \$10,000 over budget for the year. Mr. Johnson, Mr. Adkins, and Ms. Jastram asked about outstanding charges from the CPA that weren't reflected in the general ledger. Mr. Joseph noted that the itemized invoices from the CPA only showed charges through the end of July. He also indicated that some of the charges on the invoices from the CPA were for writing emails, discussing conversion status with the Association, etc. The Board asked the Manager to stop any contact with the CPA until further notice because bookkeeping expenses were mounting rapidly. The Board needs to get status on the CPA's current activity, which was supposed to be limited to a monthly check of the Association bookkeeping after the QuickBooks conversion was completed. The Board will discuss these issues with Mr. Oppenheimer and determine a course of action for reducing bookkeeping expenses.

Mr. Joseph noted that check number 1715 for \$140.40 should be moved from Association Functions to Postage & Copies in General & Administrative. He also noted that the Deprec- Furniture & Fixtures budgeted amount had not

been added to the budget per the instruction to do so at the August Board meeting. The budgeted amount is \$4,258. Mr. Joseph also asked about printing an accounts receivable report from QuickBooks rather than preparing a manual report monthly. The Manager will try to prepare this report for the next meeting. Mr. Adkins asked about the cost of collection efforts for the 13+ accounts that were more than 90 days past due. Mr. Joseph referred the Board to the collection policy, which provides the Association with a means of recovering all costs associated with collection efforts.

Mr. Joseph moved to approve the financial report, seconded by Mr. Johnson. The motion passed unanimously.

5. **MANAGER'S REPORT:** Discussion of Association projects, incidents, and owner issues.
 - a. The Manager provided a status update on item 6b, which is summarized below.
6. **OLD BUSINESS:**
 - a. **Dues Collection Services – Colonial Bank:** Mr. Joseph voiced concern about possible implementation issues related to the dues collection services beginning in January 2007. He noted that the Board should monitor this project closely to ensure successful implementation. The Board briefly discussed the project. Mr. Joseph and Mr. Dully volunteered to work on this project with the Manager and the Colonial Bank representative to ensure success.
 - b. **Towing Signs:** The Manager summarized the status of the towing signs issue. All signs were removed and the Manager asked the towing company to stop work until the Board discussed this issue. Mr. Adkins provided a summary of the towing issue to the Board and meeting attendees. Mr. Prestwood and Mr. Hopper asked if the Board was aware of the costs for vehicle recovery after towing. They also asked how a towing policy would work procedurally. Mr. Prestwood advised that any policy should be posted on the Association web site. Ms. Jastram stated that she opposed having the signs in the neighborhood. Mr. Adkins indicated that the signs must be posted if the Association wants to enforce any policy. The Board decided not to pursue the posting of towing signs currently because the Association has had only one request to tow in the past few years.
 - c. **Arnold & Associates Response:** There were no questions after reviewing Ms. Arnold's follow-up to questions that she was unable to answer when she met with the Board in August.
 - d. **Wildfire Preparedness:** The Board briefly discussed status of this project. Mr. Prestwood agreed to volunteer with Ms. Jastram and Mr. Joseph to draft a proposal for this project. This group will present the proposal at the next Board meeting. Mr. Joseph indicated that one important part of this project is the liability waiver for the Association. Ms. Jastram suggested that the group should contact Mr. Grant to discuss the liability issue.
7. **COMMITTEE REPORTS:** Status of committee activities
 - a. **Environmental Control Committee:** Mr. Harrison advised that the Association owns a mostly complete set of architectural diagrams for homes in the Association. At present, the Manager allows owners to look at these diagrams but they cannot remove them from the Association office. Mr. Harrison proposed selling copies of the diagrams to owners who request them. The

Board discussed this possibility and the costs associated with it to define a price for the service. After doing so, Mr. Joseph moved to charge \$250 per set of diagrams copied; and, an additional \$100 charge per set if needed within 24 hours. Mr. Johnson seconded the motion and it passed unanimously.

Mr. Harrison reported that negotiations to repair a home on Twin Valley Circle are moving along. He also noted that an improvement plan for 5909 Lookout Mountain were being contested by one neighbor, but that other neighbors did not contest the plan. Finally, Mr. Harrison referred an improvement plan for 4605 Lime Stone Circle to the Board. The plan includes a request to remove cedar trees in the common area. The Board discussed this request briefly and Mr. Joseph agreed to work with the affected owners to find a solution. Mr. Prestwood also agreed to assist with the negotiation if needed.

- b. CMHOA Reserve Committee: Mr. Joseph provided responses to the following questions that Mr. Oppenheimer had after reviewing the Reserve Committee's written report.

Question: Which category contains the Clubhouse Furniture? Answer: Clubhouse Furniture is included under the category "Clubhouse Meeting Area" in the subcategory "Furniture/Lighting Occasional".

Question: To what does the acronym "FR" refer? Answer: The acronym "FR" refers to reserve items that are paid fully with initial reserve funds. The acronym "PR" refers to items that are paid partially with initial reserve funds.

Question: How did the Committee determine unit cost amounts; for example, how did it determine that "Bathroom Sink Porcelain" costs \$400 (see pg. 11 in the "Clubhouse Bathrooms" category)? Answer: Unit costs, along with adjustments based on purchase locale, are included in the Reserve Study software. These estimates of unit costs were used by the Committee when there was no actual data available from previous expenses incurred by the Association. Regarding the "Bathroom Sink Porcelain" entry in the report, this is based on an estimate. Mr. Joseph visited Lowe's on 9/10/06 to obtain an estimate for a vanity top, cabinet and faucet, all of which are included in the "Bathroom Sink Porcelain" entry. The actual cost of these materials (low-to mid-quality) is \$319 w/tax. This cost does not include installation.

- c. Communications Committee: Mr. Joseph and Mr. Adkins will be working on the next newsletter in advance of the next meeting. Also, they have been researching rates for web advertising and will provide a rate schedule as soon as possible to begin selling advertising on the Association web site.
- d. Social/Activities Committee: The Manager mentioned that owners are asking for Summer BBQ pictures to be posted on the web site. Mr. Joseph will do this as soon as possible.
- e. Welcome Committee: No report.
- f. External Affairs: Ms. Jastram reported that the current CONA-related litigation is pending and disclosures have been prohibited.

8. NEW BUSINESS:

- a. Director Vacancy: The Manager reported that three owners responded to the request for nominations for Director. Ms. Jastram has announced that she may be moving from the community and the Board would like to prepared with a successor if Ms. Jastram resigns. Those who nominated for the Director position are Cathie Lockhart, I-Hsing Tsao, Brenda Warner. The Board will review nominees' resumes and select a successor to Ms. Jastram if needed. Mr. Joseph moved to close the nominations for Director position effective 9/11/06. Mr. Johnson seconded the motion. The motion passed,

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- with Mr. Adkins, Mr. Johnson and Mr. Joseph approving, and Ms. Jastram abstaining.
- b. Mountain Villa Cove Landscaping: Mr. Johnson reported that an owner observed that the 2005 landscaping project of the common area beds on Mountain Villa Cove did not include the area in front of the owner's house. The owner asked Mr. Johnson to discuss landscaping this area. The Manager summarized the 2005 project and what it entailed. The Board discussed the owner's request and the funds remaining in the 2006 Landscaping Upgrade budget. Mr. Joseph moved to authorize \$400 on Mountain Villa Cove landscaping and to freeze the remaining funds budgeted for 2006 Landscaping Upgrades until the Board has discussed how to appropriate these funds. The motion was seconded by Ms. Jastram. Mr. Adkins, Ms. Jastram, and Mr. Joseph approved the motion and Mr. Johnson abstained.
9. NEXT MEETING: October 9, 2006, 6:30p at the clubhouse.
10. ADJOURNMENT: Motion by Mr. Johnson, seconded by Ms. Jastram, motion passed unanimously. Meeting adjourned at 9:16p.

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

THESE MINUTES HAVE BEEN APPROVED BY THE BOARD OF DIRECTORS.