

**CLIFFTOPS PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING**

MEETING DATE

July 8th, 2007

BOARD OF DIRECTORS

President	Dennis Raines
Vice President	George Goodwine
Secretary	Howard Smith
Treasurer	Earnie Lumpkins
Director	Louis Smith
Director	Henry Chase
Director	Earl Williams

Minutes

BOARD MEMBERS PRESENT

President, Dennis Raines
Vice President, George Goodwine
Secretary, Howard Smith
Treasurer, Earnie Lumpkins
Director, Louis Smith
Director, Earl Williams
Director, Henry Chase

PROPERTY MANAGER PRESENT

James B. Tripp

CALL TO ORDER

The meeting was convened at the Clifftops Lake Clubhouse at 2:02pm.

APPROVAL OF THE MINUTES

Vice President George Goodwine moved to approve the minutes from the May, 2007 Board meeting. The motion was seconded by Director Henry Chase and passed without objection.

President Dennis Raines announced Howard Smith as a candidate to fill the Board vacancy left by Don Zimmermann's resignation. George Goodwine made a motion to accept Howard Smith to the Board. Earnie Lumpkins seconded and the motion carried unanimously. Mr. Raines then announced the following changes in the officers of the

Board: Vice President: George Goodwine, Treasurer: Earnie Lumpkins, Secretary: Howard Smith.

TREASURER'S REPORT

The Treasurer's report was given by Earnie Lumpkins.

As of June 30, 2007 our Operating income was \$239, 947.09. Operating expenses ending June 30 were \$214,239.12, resulting in a positive balance of \$25,707.97.

There have been some unplanned expenses that were not taken into account during the budget preparation last year and that have adversely impacted our budget.

In Landscaping and Mulch we are currently 26.54% (\$530.84) over budget due to the design changes and enhancements of the front gate and Bluff Club areas with rock and plantings.

The Mowing Equipment Repairs and Maintenance category is currently 2.90% (\$29.03) over budget. The durability of the mower wheels seems to be a problem as used in Clifftops' uneven and hilly terrain.

In 2007, \$4,812.36 was spent on the stable/workshop area and \$4,444.46 in 2006 for a total of \$9,256.82.

One area of concern continues to be lightning damage to our front gate security and communications equipment. We spent \$3,318.36 in 2005 and \$4,084.20 in 2006 repairing damages resulting from lightning. A study has begun to determine ways to mitigate future losses as a result of lightning strikes. One fact we learned is that a metal culvert serves as the conduit for some of the wiring of this equipment. The impact of that and a possible remedy will be investigated.

We have begun preparation of the 2008 Budget and will be reviewing the expenses through June 30, 2007 and anticipated expenses for the remainder of the current year. The report from the Strategic Planning Committee will be incorporated in the final budget that will be presented to the board at the September Board Meeting.

At the close of business on June 30, 2007 we had cash on hand as follows:

Operating account	\$19,533.24
Petty Cash	250.00
Savings account	<u>59,722.86</u>
	\$79,506.10

Clifftops paving and culvert costs incurred over 2006 and 2007:

During 2006 we spent:	Road repair, tools, cold mix	\$4,274.89
	Culverts	52,085.81
	Reflectors	<u>507.47</u>
	total	\$56,868.17

During 2007 we spent:	Striping machine	\$12,598.28
	Culverts	37,836.85
	Reflectors	3,044.80
	Paving	<u>278,738.48</u>
	total	\$332,218.41

Total expenditures for the paving of Clifftops Avenue and related expenses are **\$389,086.58**.

COMMITTEE REPORTS:

Strategic Planning Committee - Annual Report

Chairman Dale Cermak began her report by thanking the members of the Strategic Planning Committee (Louis Amis, Sharon Dwyer and Greg Magavero) for their commitment and perseverance. She said this has not been a routine year. She thanked the members of the CPOA Board and others who had assisted the Committee this year: Dennis Raines, Louis Smith, Earl Williams, Don Zimmerman, Jim Anderson, Earnie Lumpkins, George Goodwine, and of course Manager Jim Tripp with Suzan Thompson behind the scenes.

Ms. Cermak then reported that the Committee had several items requiring a Board Motion and for the sake of clarity she recommended a separate motion for each item:

- 1) **The SPC recommends that the CPOA approve the agreed Asset valuations shown in the revised Strategic Plan. These valuations have resulted from comparison of the ARC Study and the CPOA Strategic Plan, logical deduction, recommendations of members of the Board, estimates of respected contractors, etc. These valuations will now be the basis for the long term reserve planning of the CPOA.**

Vice President George Goodwine made a motion to approve the agreed Asset valuations shown in the revised Strategic Plan. The motion was seconded by Treasurer Earnie Lumpkins and carried without objection.

- 2) **The SPC recommends that the CPOA move the items listed in Exhibit "A-1" from the Strategic Plan (reserve funding) to Operations. These items are valued, individually, at under \$1,000.**

Director Henry Chase made a motion that items listed in Exhibit "A-1" be moved to Operations. Vice President George Goodwine seconded the motion and it carried without objection.

- 3) **The SPC recommends that the CPOA move the funding for the property and casualty insurance deductibles, shown in the attached Exhibit "A-2", from the Strategic Plan (reserve funding) to Operations.**

Secretary Howard Smith made a motion that Exhibit "A-2" be moved to Operations. Director Louis Smith seconded and the motion carried without objection.

- 4) **The SPC recommends that the items listed in Exhibit "B" be added to the Strategic Plan for future planning.**

Director Louis Smith made a motion to add the items listed in Exhibit "B" to Strategic Planning. Vice President George Goodwine seconded and the motion carried without objection.

- 5) **The SPC recommends that the items listed in Exhibit "C" be removed from the Strategic Plan. These items are no longer in use or will not be replaced.**

Treasurer Earnie Lumpkins made a motion to remove the items listed in Exhibit "C" from the Strategic Plan, Vice President George Goodwine seconded and the motion carried without objection.

- 6) **For 2008, the Strategic Planning Committee recommends the capital expenditures shown in Exhibit "D".**

Vice President George Goodwine made a motion to add the capital expenditures shown in Exhibit "D" to the Strategic Plan. Treasurer Earnie Lumpkins seconded and the motion carried without objection.

MANAGER'S REPORT

CPOA member Larry Williams questioned Property Manager Jim Tripp about the striping work on Clifftops Avenue. Mr. Tripp informed him that the striping project has been put on hold as there are some mechanical issues with the striping equipment. Mr. Williams asked why reflectors had been put down before the striping was completed. President Dennis Raines added that some form of marking had to be done on the road for safety issues.

CPOA member Jim Kendig brought up the \$28,000 quoted contractor price for the striping project, and asked how it could be so high. Mr. Tripp explained that the price quoted was in order to reach TDOT standards. Mr. Kendig asked why we need to meet TDOT standards. Mr. Tripp explained that the Board voted to stripe according to TDOT standards at the May board meeting on the advice of council and professionals in the industry. Vice President George Goodwine added that this was one of the main considerations into buying the striping machine.

President Dennis Raines discussed the striping machine and again noted that some form of road marking had to be done for safety issues. Vice President George Goodwine stated that the striping machine has been found to be unsatisfactory for CPOA purposes and that the Board will take action to remedy the purchase of the item. He moved to remedy the striping machine situation. Treasurer Earnie Lumpkins seconded the motion and it carried without objection.

Jim Kendig said that in the past, one yellow line was used on the two-ways and one line on the side of the road on the one-ways. Also, that the boards of the past had agreed on using yellow lines on the one-ways due to the fact that at night and in the fog it is more visible than a white line. Mr. Kendig went on to say that he felt one yellow line on the two-ways and one yellow line on the one-ways was sufficient and he believed the price for that to be \$400 a mile. He asked who we had received the bid on striping the roads from. Mr. Tripp replied that the bid was from England Striping, the same contractor responsible for striping the Westlake roads in 2006.

OLD BUSINESS

There was no old business discussed.

NEW BUSINESS

President Dennis Raines asked Jim Anderson and Dale Cermak to take the floor concerning changes in our employee medical insurance. Mr. Anderson began by stating that the Finance Committee had researched the different Bluecross/Blueshield plans and had selected a new plan that would save the CPOA over \$300 a month on the premium. The new plan has a three tier drug card that offers generic, intermediate and name brand drugs. It is also in the preferred provider network which covers all local hospitals (“except Emerald-Hodgson”). The out-of-pocket cost to each covered employee will be lessened by \$1000. Treasurer Earnie Lumpkins made a motion to change the insurance package for our employees. Vice President George Goodwine seconded and the motion carried without objection.

Secretary Howard Smith took the floor to report on the Clifftops Float Team. He began by saying that the Clifftops Float had placed First at the Sewanee parade and had won Best Theme at the Monteagle parade. Steve Centimole was given credit for coming up with a detailed drawing of the float and also for the crafting and construction of the float. John Baggenstoss was responsible for the detail work and making the float look as good as it did. Mr. Smith said that even though it was the middle of the summer and hot, everyone that helped had a great time.

Jim Anderson took the floor to discuss the Clifftops Relay for Life team. Three years ago the Board decided to get behind the American Cancer Society. The first year, the Clifftops Relay for Life team raised 2,500 dollars for the ACS. The year after, the team raised twice as much as the previous year for 5,000 dollars. This year, with Sylvia Anderson and Elaine Goleski the Clifftops Relay for Life team was able to raise over 9,000 dollars, the most raised by any non corporate Grundy County Relay for Life team. All together, the Grundy Relay for Life raised over 54,000 dollars for the American Cancer Society. Mr. Anderson concluded by thanking all the homeowners and people of the surrounding area for doing so much for such a good cause.

ADJOURNMENT

Treasurer Earnie Lumpkins moved to adjourn at 2:55pm. Vice President George Goodwine seconded and the motion carried without objection.

NOTE: Copies of exhibits referenced in the minutes are available to Members in the Clifftops office.