

**CLIFFTOPS PROPERTY OWNERS ASSOCIATION**  
**Board of Directors Meeting**

**MEETING DATE**  
September 13, 2009

**Approved Minutes**

**Board Members Present**

Dale Cermak (2010)  
Henry Chase (2011)

Howard Smith (2009)  
Baker Walker (2011)

Also Present: Ty Burnette (Property Manager)

Vice President Dale Cermak called the meeting to order at 2:00 p.m. and announced the presence of a quorum of Board Members.

**Approval of Minutes**

Dale called for approval of the minutes from the July 12, 2009 regular board meeting. Baker Walker moved approval of the minutes; seconded by Henry Chase. Motion approved. Dale also announced that Board members had received copies of the meeting summary from the August 9 community meeting.

**Treasurer's Report and 2010 Budget**

Baker presented the Treasurer's Report for the end of August, 2009. Expenses are about \$12,000 below plan and we are on target to meet our 2009 budget. (See attached.)

Baker also presented the proposed operating budget for 2010. For the year, anticipated expenditures will be about \$10,000 higher than for 2009. Strategic Planning expenditures for 2010 are budgeted at approximately \$91,000. Revenue will be steady, with no change in the dues from 2009. Baker explained that this budget represents a "holding situation" as there are several unknowns which may impact the 2011 budget, including requests as a result of the Strategic Planning II process and core testing of additional roads (to be discussed later in the meeting). Baker moved adoption of the 2010 budget and added that dues will remain the same as for 2009; seconded by Henry. Motion passed. (Budget and Strategic Planning 2010 planned expenditures attached.)

**Committee Reports**

Ty Burnette reported for the Architectural Control Committee that two new construction are ongoing and several minor projects are underway. On behalf of the committee, he thanked members for their cooperation in submitting requests to the ACC for exterior work.

Dale called on Bill Davis for the report of the Strategic Planning Committee. Bill reported on the status of the Strategic Planning II (SPII) process. Sub-committees have been formed, each with specific action plans. Most are actively meeting and a member of the Strategic Planning Committee is assigned as a liaison to each sub-committee. (List of sub-committee chairs and status attached.)

### **Property Manager's Report**

Ty Burnette reported that Clifftops had received a request from a non-resident to board horses at the Stable. The request was denied. He also reported that the staff is preparing to make repairs to the road shoulder at 2306 Westlake. This will be a more extensive repair than has been done on other shoulders. Funds for this work already are approved in the 2009 strategic planning budget. Ty also reported that work will begin this week on trimming overhanging limbs along roadways to reduce hazards for larger vehicles on the road. Finally, Ty noted that the water bills for the Bluff Club and pool are significantly lower than last year, as is the expense for heating the pool. He noted (later) that the pool will close for the season at the end of the day on Thursday, September 17.

### **New Business**

Ty reminded the Board that core testing of Winterberry has been completed and the report was distributed to Board members. Several problems were noted; both the road base and the paving are below specifications. Ty said that we need to monitor future road work to assure quality compliance.

Four roads (Castle Rock, Sarvisberry, Azalea, and Hickory) are scheduled for core testing in 2010. As a result of the testing on Winterberry, Ty recommended that these tests be done in 2009 instead. Baker moved that we authorize \$8500 this year from the Strategic Planning budget for the testing of the four roads so we have the information necessary to make decisions on repairs. Seconded by Henry. Motion approved.

Baker reported for the Finance Committee on a recommended action to be presented at the 2009 Annual meeting concerning a by-laws change. Baker explained the role and responsibilities of the Finance Committee and the experience and tenure desired for committee members. He presented a proposed by-laws change to more clearly define these matters. Baker then moved that the following new language for by-laws section 3:14(b) be approved and presented to members at the 2009 Annual meeting. Seconded by Henry.

#### ***By-laws Section 3.14(b) Standing/Required Committees***

*There shall be a Finance Committee which shall review at least quarterly all financial activities of the Association, shall provide historical continuity regarding financial decisions and directions; shall develop financial planning evaluations and recommendations relating to the annual operating budget and to the current and future funding requirements resulting from the combination of the Operating budget and strategic planning requirements; and shall present recommendations to the Board of Directors on fiscal matters. The Association Treasurer shall serve as chairman of the Finance Committee. At least one other member of the Board of Directors shall serve on this committee with at least three, but not more than five other Association members in good standing. Except for the Treasurer and the other Board Member(s), the Finance Committee members shall serve for staggered terms of five years. Any new member's initial term shall be one year. The Chairman of the Strategic Planning Committee shall be ex-officio a member of the Finance Committee. In years in which audited statements are not provided by an independent Certified Public Accounting Firm, the Finance*

*Committee shall perform a review of the books of the Association. Should the Finance Committee determine that any discrepancy or irregularity exists, the Committee may recommend to the Board of Directors an external review or audit by an independent certified public accountant be undertaken.*

After discussion, the motion carried.

Baker asked that the Board further discuss the report from Aquaterra concerning the condition of the paving on Winterberry. The report indicates that the road is showing premature signs of failure. The study indicated that the gravel base was inadequate and thinner than specified. The surface paving also was thinner in places than specified. The report provides three alternatives to remedy the situation. Ty suggested that before proceeding he wants to get reports from others who have used the Full Depth Reclamation process. The SPII Roads sub-committee, which includes members knowledgeable in this area, is considering using Winterberry as a test of the Full Depth Reclamation process which also may be recommended for some of the other roads. Susan Thomas noted that when the paving of Winterberry was done, Clifftops had contracted with an engineering firm to establish specifications for the work so that the road would last for fifteen years. For future work, it is important for Clifftops to monitor the work actually done, so that it meets specifications and provides the anticipated service life.

There being no other business before the Board, Dale adjourned the meeting at 2:33 p.m. Board members remained for discussion with the membership.

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Dale Cermak, Vice-President

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Howard Smith, Secretary

Attachments: Treasurer's Report  
2010 operating budget  
2010 strategic planning expenditures  
Strategic Planning II sub-committee listing (updated)  
Aquaterra report on Winterberry

The Annual Membership meeting is scheduled for 10:00 am on Saturday, November 7.