

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

MEETING DATE

September 9, 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, Earl Williams

BOARD MEMBERS ABSENT

Director, Louis Smith
Director, Henry Chase

CALL TO ORDER

The meeting was convened at the Clifftops Lake Clubhouse at 2:01 pm.

APPROVAL OF THE MINUTES

Vice President George Goodwine moved approval of the July 9, 2007 Board minutes. Seconded by Director Earl Williams. Motion was approved without objection.

RECOGNITION OF SUBJECTS DISCUSSED AT AUGUST 2007 COMMUNITY MEETING

- Tennis Courts: President Dennis Raines reported that he had stated in the community meeting that the funds for refinishing two of the tennis courts had been deleted from the Strategic Plan. The Board continues to discuss options for this amenity.
- Reflectors vs. Striping: President Dennis Raines also reported from the community meeting that a decision on striping or additional reflectors for Clifftops Avenue has not been made and Board discussion continues.

- Strategic Plan: This topic will be the subject of a presentation later in this meeting under New Business.

TREASURER'S REPORT

The Treasurer's report was given by Earnie Lumpkins.

As of August 31, 2007, we have received **\$287,098.21** in Revenue. Our Expenses, ending August 31 are **\$276,524.80** resulting in a positive balance of **\$10,573.41**.

We have one lot with dues 90 days past due and 1 lot with dues 60 days past due.

At the close of business on August 31, 2007 we had cash on hand as follows:

Operating account	\$35,537.14
Petty Cash	\$250.00
Reserve accounts	<u>\$59,858.44</u>
	\$95,645.58

We continue to experience lightning damage to our front gate security and communications equipment and we continue to research ways to reduce and prevent this damage and expense.

There are two projects to be completed that will impact the 2007 budget. They are the repair of the deck and railing for the Bluff Club and repair of the fence at the stables. Those two items are part of the Strategic Plan and will be paid for out of our Reserves. Considering those two projects we anticipate that our Reserves as of 12/31/2007 will be \$88,735 or a funding level of 4.3% of our total assets.

I want to thank the Strategic Planning Committee, the Board of Directors, the Finance Committee and others for their guidance and approval in preparing the 2008 budget. During 2008, the Strategic Plan document calls for expenditures of \$34,010 from our Reserves. Of concern to all of us is the funding necessary to reclaim the lake, to replace the swimming pool and to rebuild our reserve funds. To that end, I am requesting a dues increase for 2008 of \$10 per month which would bring the dues to \$170 per month. This will bring the Reserve balance at the close of business on 12/31/2008 to \$286,215 or a funding level of 13.6% of our total assets.

It was moved by Director Earl Williams and seconded by Vice President George Goodwine that the Treasurers Report, with its 2008 budget and recommendation for Members' dues, be accepted. The motion was approved.

Secretary Howard Smith commented that the Board had an obligation to protect and preserve the assets of the Association and that our dues were the mechanism for accomplishing that. The 2008 operating budget represents a reduction from the 2007 budget. However, with Strategic Plan reserves at such a low level, it was critical for us to build the reserves and the budget with the modest dues increase will help us accomplish that.

COMMITTEE REPORTS

See New Business, below

MANAGER'S REPORT

In the absence of a Property Manager, President Dennis Raines reported that a committee of Henry Blizzard, Earnie Lumpkins, and himself has held preliminary interviews with four individuals for the Property Manager's position. The Committee is not prepared to make a recommendation to the Board at this time. It is hoped that a Manager can be named before the end of the year.

OLD BUSINESS

There was no old business discussed.

NEW BUSINESS

- Secretary Howard Smith commented that the Board for several years has considered how the present surface water discharge from the lake has negatively impacted water quality and viability of fish in the lake. The lake discharge system is part of our Strategic Plan. The Board believes the discharge system needs to be addressed in 2008. However, as yet, we have no formal proposal or cost projection for the work. It is hoped that decreases in other Strategic Plan items for 2008 will permit this expenditure from Strategic Plan Funds in 2008.
- Dale Cermak, Chairperson of the Strategic Planning Committee, made a Powerpoint presentation about the plan. The presentation talked about the history of reserve funding at Clifftops, the process used to develop the plan and the options that were considered. When completed in 2001, the Plan was presented to the Board, and the Finance Committee prepared four funding options for consideration. Members (property owners) asked that Clifftops use monthly dues to cover both operating expenses and to fund reserves for maintenance of roads and capital assets. At a special meeting in 2001, the Board approved this plan and created a permanent Strategic Planning Committee to implement and revise the Strategic Plan. The committee makes an annual report to the Board, including recommending specific strategic plan items to be funded for the ensuing year.

Dale recommended that we consider "Strategic Plan II," which would both review the content of the current plan and consider other needs that were not anticipated in the current plan, due to changes in the profile of Membership, technology, building codes, etc.

In discussion, it was suggested that this topic be part of the November annual meeting. The issue is whether current Members look at Clifftops differently now than the property owners did at the time of the original plan.

Other comments: Bob Thomas indicated that this reports shows that the original plan has proven quite accurate and that our dues increases are largely due to higher than expected increases in the Operating Budget.

Jim Kendig questioned why the Board had adopted an objective of 50% of capital assets as the funding objective for the Strategic Plan and suggested that alternative objectives should be considered, especially since Clifftops assets are insured.

Jim Poteet asked how much of our 2008 dues will go to Operating Expenses and how much to Strategic Plan reserves. Secretary Howard Smith noted that the budget being mailed out this week will show the total income from dues as well as the amount designated for Operating expenses and the income to be transferred to Strategic Plan reserves.

Sharon Dwyer asked if Members would be able to see the amounts that were reduced in the 2008 Operating budget. Treasurer Earnie Lumpkins responded that the detail is included in the mailing that will be sent to all Members this week.

It was noted that while Strategic Plan reserves cover expenditures for Road and Capital Asset items, labor provided by Clifftops staff is recognized in the Operating Budget. It was suggested that we should consider budgeting labor for Capital Maintenance as a Strategic Plan expense.

William Millsaps inquired whether the Board was aware of speeding within Clifftops. With the presence of wildlife, walkers, etc. and with the hills and curves on the property, several people raised concerns for safety. Greg Magavero wondered how passing could be restricted without center line striping.

ADJOURNMENT

Treasurer Earnie Lumpkins moved to adjourn at 2:58pm. Director Earl Williams seconded and the motion carried without objection.

President

Secretary