



BOARD OF DIRECTORS MEETING
Tuesday, March 23, 2004 6:00 P.M.
San Antonio Federal Credit Union, 2nd Floor Conference Room

BOARD MEMBERS PRESENT: John Hayes, Chair; Jim McKelvey; Knox Pitts

STAFF: Amy Hartman

VISITORS: Andy Griggs

John Hayes called the meeting to order at 6:05 PM. Mr. Hayes asked for the board to review and approve the minutes of the November 7, 2003 meeting. Knox Pitts moved approval and Jim McKelvey seconded the motion. The minutes were unanimously approved.

Ms. Hartman presented the treasurer's report. She noted that FBOA had received a donation of \$12,450 from CU Factory Built Lending, LP. She reviewed the expenditures to date, noting that most of the expenditures fell into the categories of legal fees, printing, postage and website hosting. Expenditures through March 23, 2004 totaled \$3,269.91, approximately 26% of total budget for this calendar year. Ms. Hartman also said that she is preparing a budget and is awaiting a quote for Directors and Officers insurance.

Ms. Hartman referred the members to the Organizational Update and asked if there were any questions. Mr. Pitts said that since the board had received it ahead of time, that there was no need to review it. The Organizational Update is attached.

General discussion took place about FBOA membership and organizational development. Mr. Pitts said that it will be important to inform members if any portion of their membership dues are tax deductible, and that this requires a determination if any portion of the dues exceeds the membership benefits. Mr. Hayes said that one strategy for recruiting new members is to offer discounts on homeowner's insurance to people buying manufactured homes at the time their loans are made. Other incentives would be giveaways paid for by FBOA and car rental discounts. The board agreed that FBOA must provide value to members, but the organization must have sufficient members to be able to negotiate discounts, and that FBOA needs more members first.

At 6:30 PM, Mr. Hayes called the Annual Membership Meeting conference call to order. There being no additional members present in person or by phone at 6:45 PM, the board members agreed by acclamation to serve in their current positions until 2005 annual membership meeting. Mr. McKelvey moved and Mr. Pitts seconded the motion to adjourn the annual membership meeting at 6:45 PM.

Returning to New Business, Ms. Hartman presented a resolution to open a checking account for the organization and to permit Judi Padilla to serve as a volunteer to help the treasurer keep the FBOA books.

Ms. Hartman next presented a proposed membership structure, reviewing the Membership Levels and Benefits handout. The board discussed the proposed structure. The consensus of the board that it is too early in the development of the organization to commit to a membership structure. When FBOA has organizational benefits and offers value, then a membership structure would be appropriate. Mr. McKelvey moved that for 2004, the board establish two membership levels, individual and corporate, and that all memberships be free through 2004. Mr. Pitts seconded the motion, and the motion was unanimously approved.

Mr. Hayes suggested that it is time to begin developing a strategic plan and identifying strategic partners for FBOA. He suggested that we pull together a focus group of industry stakeholders to receive input in developing the plan.

Ms. Hartman reviewed the fiduciary due diligence requested by the board at the last board meeting, noting that the coordinator and treasurer had been subject to background checks, and there were no issues or findings. Mr. Pitts moved that the board adopt a policy that criminal background checks will be performed on any future FBOA employees and volunteers in fiduciary roles. Mr. McKelvey seconded the motion, and the motion was unanimously approved.

Mr. Hayes said that it will be important for FBOA to have a complete policy manual, and that there are manuals which can be used as a guide. Mr. Pitts moved that a policy manual for FBOA be created. Mr. Hayes seconded the motion, and the motion was unanimously approved.

Ms. Hartman presented the proposed Anti-Harassment Policy required for DO insurance. The board agreed that such a policy is necessary. Mr. Pitts moved that the Anti-Harassment Policy be adopted and also that criminal background checks will be performed on any future FBOA employees and volunteers in fiduciary roles. Mr. McKelvey seconded the motion, and the motion was unanimously approved.

Regarding Directors and Officers insurance, Mr. Hayes said he believes that there is a credit union insurance which covers employees and officers who serve on other boards. Ms. Hartman agreed to check into such a policy and report back to the board as soon as possible.

The board briefly discussed the issues of applying for tax exemption. The board directed Ms. Hartman to provide an analysis of the costs/benefits of various types of exemptions and to report back at the next board meeting.

There being no further business, Mr. Pitts moved to adjourn and Mr. McKelvey seconded the motion, which was approved unanimously. The meeting adjourned at approximately 7:30 PM.