

MINUTES OF THE
NORTH SHOAL CREEK NEIGHBORHOOD ASSOCIATION
ANNUAL MEETING
January 5, 2010

The annual meeting of North Shoal Creek Neighborhood Association was called to order at 6:41 p.m. on January 5, 2010, at Pillow School cafeteria, by President, Jeff Russell. Approximately 32 members attended.

With no objection, the agenda for the meeting was adopted.

General Business

Karl Loftis, a recruiting assistant for the US Census Bureau, described some of the temporary jobs available for the 2010 census. More information is available at www.census.gov.

The minutes of the November 10, 2009 general meeting were approved.

Elections

Randy Alexis, chair of the Election Committee, presided over elections.

The Nominating Committee nominee for President was Chip Rosenthal. Alyssa Hedge made a motion to close nominations. There being no objection, motion carried and nominations were closed. Alyssa Hedge made a motion to elect Chip Rosenthal as president, since he was the only candidate. Motion carried.

The Nominating Committee nominee for Vice President was Ken Moyer. Alyssa Hedge moved to close nominations. There being no objection, motion carried and nominations were closed. Chip Rosenthal made a motion to elect Ken Moyer as vice president, since he was the only candidate. There being no objection, motion carried.

The Nominating Committee nominee for Secretary was Kate Brien. Vicki McFadden moved to close nominations. There being no objection, motion carried. Alyssa Hedge moved to elect Kate Brien as secretary, since she was the only candidate. There being no objection, motion carried.

The Nominating Committee nominee for Treasurer was Lois McEnvoy. Alyssa Hedge moved to close nominations. There being no objection, motion carried. Sherran Williams moved to elect Lois McEnvoy, since she was the only candidate. There being no objection, motion carried.

The Nominating Committee nominee for the first Director position was Andreas Guenin. Vicki McFadden nominated Jerry Horn. There being no other nominations, a ballot election was conducted. Andreas Guenin was elected to the first Director position.

The Nominating Committee nominee for the second Director position was Cheri Hartman. Dallas Maham moved to close nominations and thereby elect Cheri Hartman to the second Director, since she was the only candidate. Motion carried.

The Nominating Committee nominee for the third Director position was Alyssa Hedge. Vicki McFadden nominated Jerry Horn. There being no other nominations, a ballot election was conducted. Alyssa Hedge was elected to the first Director position.

In individual uncontested elections, Nominating Committee nominees Don Jones, Vicki McFadden, Mary Jane Wier, and Sherran Williams were elected to remaining Director positions.

The 2010 Board of Directors:

President Chip Rosenthal
Vice President Ken Moyer
Secretary Kate Brien
Treasurer Lois McEvoy

Directors Andre Guenin
Cheri Hartman
Alyssa Hedge
Don Jones
Vicki McFadden
Mary Jane Wier
Sherran Williams

Officer/Committee Reports

Treasurer

Treasurer Helene Maham reported that as of January 4, 2010, there were 72 family member units. Excluding the newsletter, the actual expenses were \$2,502 with revenue of \$1,684 (for a deficit of \$818). The deficit was funded by the 2008 carryover of \$2,052.

The newsletter 2008 carryover was \$3,577. The 2009 income was \$2,502 and the expense was \$5,325, for a 2009 deficit of \$1,080 funded by the 2008 carryover.

The CD balance on 11/30/2009 was \$30,890.35.

The complete Treasurer's Report is attached.

President

President Jeff Russell reported a brief history of the "traffic calming" CD. A question was asked whether the gift from Nissan Dealership of \$25,000 was restricted to "traffic calming" only. Another NSCNA member responded that she has a copy of the agreement which says the \$25,000 was given for the purpose of neighborhood traffic calming efforts or any other neighborhood project.

Committees

Traffic Committee chair, Dallas Maham, announced a planned effort to lobby City Council for sidewalk improvements.

Nominating Committee Chair, Juliette Kernion, reported the nominees for the 2010 Board of Directors. The nominee information was published in the Fall 2009 newsletter distributed in late November/early December. The committee report is attached.

There being no further business, the meeting was adjourned at 7:47pm.

Submitted by,



Jeff Russell, 2009 President

Approved by,



Chip Rosenthal, 2010 President

Attachments: Treasurer Report
President Report
Nominating Committee Report

	2009 Budget	ACTUAL January 4, 2010	
INCOME			
Dues (72)	900	1079.26	
Garage Sale	0	61	
IRS Refund	324	507.39	
Misc.	0	36.03	
Total Income		1224	1683.68
EXPENSES			
Neighborhood Events			
4th July Event	1500	1243.96	
Movie Night	250	0	
Garage Sale	115	96.82	
Play Day & Others	100	0	
Nat'l Night Out	0	0	
Library	0	57.37	
Total Neighborhood	1965		1398.15
Charitable Giving			
Anderson/IBurnet	0	0	
Pillow Elementary	500	500	
Total Charitable	500		500
General Operation			
P.O. Box Rental	70	70	
Austin Neighborhood Council	35	35	
Total General Operation		105	105
Meetings/Misc	200	114.3	114.3
Flyers	0	91.37	91.37
Committees			
Development	60	0	
Election	30	0	
Safety	25	0	
Traffic	50	0	
Beautification	25	6.93	
Media (3 Years)	316	286.2	
Total Committees	506		293.13
Total Expenses		3276	2501.95
Over/Under Budget		-2052	-818.27
2008 Carryover		2052	2052
FINAL BUDGET EXCLUDING NEWSLETTER		0	1233.73
NEWSLETTER			
Income/advertising	3600		4245
Expenses/Printing & Misc	5000		5324.74
Net Profit/Loss	-1400		-1079.74
2008 Carryover	3577		3577.81
Newsletter Profit		2177	2498.07
Balance, January 4, 2010			3731.8
CD Balance 11/30/09 \$30,890.35			
2010 Dues paid in 2009 \$255			
2011 Dues paid in 2009 \$15			
Friends of Library \$1,171.71 Income; Expenses to follow			

North Shoal Creek Neighborhood Association

2009 President Report

By Jeff Russell

At several meetings throughout the year, members have inquired about the history of the traffic calming fund. While the original agreement was not found, the following facts were gathered.

Analysis of Purpose and Value of NSCNA “CD”

Note: A thorough analysis of all past minutes was not conducted.

Executive Summary

North Shoal Creek Neighborhood Association accepted \$25,000 from Town North Autoplex to reduced test drive traffic through the neighborhood. This money was accepted for traffic calming or other projects to benefit the neighborhood. This money was received and placed in a reserve fund, “the traffic CD”. In 2009, the fund was moved from a CD to a money market account. As a non-profit corporation, NSCNA is obliged to spend the money on the dedicated purpose, i.e. traffic calming. The written agreement also provides for a project that benefits the neighborhood. Based on inflation, the original \$25,000 is worth \$32,850 as of November 2009.

Origin of “Traffic Calming CD”

At the January 1998 general meeting, a written proposal was presented from Town North Autoplex in which the developers pledged \$25,000 to the NSCNA to reduce test drive traffic through the neighborhood. A motion was adopted to accept the offer with minor changes. At this meeting, a committee was formed to incorporate NSCNA.

History of CD

(This analysis was primarily conducted in mid-2007, before all the past newsletters were available online.)

As described in the Fall, 1997 newsletter for NSCNA, Town North Imports general manager Randy Ross offered “to fun an unspecified number of speed humps and Children At Play signs”.

As described in the Spring, 1998 newsletter, Town North Imports gave NSCNA \$25,000. An agreement was signed that the contribution be used for “neighborhood traffic calming efforts or any other neighborhood project.” The intention was to use this money and offered legal help “in obtaining speed humps”. Pam Pennic wrote the article “NSCNA Signs Deal with Town North Imports”.

As reported in the Summer, 1998 newsletter, the minutes of the March 31, 1998 reported the receipt of the \$25,000 from Town North Imports and that “the money will be invested until it can be used for traffic calming devices.”

As reported in the Fall 1999 newsletter, the minutes of the May 4, 1999 NSCNA meeting stated there was “\$25,000 plus interest, which is earmarked for traffic calming” in a savings account. Also in the Fall 1999 newsletter, the article “How the NSCNA Works for You” reported the accomplishment of: “Struck a deal with developers that netted the association \$25,000 for traffic calming devices”.

In the Winter 2002 newsletter, the “Notes from the Treasurer” stated the NSCNA has “almost \$27,500 cached in a CD for neighborhood traffic and safety projects.”

At the Jan 8, 2002 board meeting, a resolution was passed that the interest from the CD is not part of the traffic calming monies. The interest can be used for anything that the Board of Directors deems important. [Note that this policy decision seems contrary to the laws that govern acceptance of dedicated funds, as described below. Also note that the interest earned on the CD tracks the change in value due to inflation.]

In the Summer 2002 newsletter, the “NSCNA 1099 Tax Form” article stated “We have also gotten local business to contribute \$25,000 to help defray the cost to the city of austin [sic] to improve traffic and safety in our neighborhood” under the section “Community Representation”. In the section “Statement of Revenue and Expenses”, point (4) states “In 1999 we received a gift of \$25,000 to both incorporate and for traffic abatement. This gift will pay the fees for this form and the rest will go to traffic abatement in the neighborhood when the City of Austin restarts their traffic abatement programs. This money sits in a CD until then.”

Present Value of CD

Based on the Spring 1998 newsletter, the money was received after January, 1998 and before the Spring newsletter was published. The NSCNA was incorporated in February 1998, so it is estimated that the money was received in March, 1998.

Based on the inflation calculator at <http://inflationdata.com>, the inflation increase from March 1998 to November 2009 is 31.4%. In July, 2007 the current inflation rate was 2.36%.

Thus, the approximate present value of the CD as of November 2009 is $\$25,000 \times 1.314 = \$32,850$ (it was \$32,105 as of July 2007).

Uses for the money

Occasionally, the issue will arise as to why NSCNA does not spend the traffic calming CD. On more than one occasion, it has been suggested to use the money for operating expenses. However, this use would not be proper. As a non-profit, NSCNA accepted the

money for a specific use (traffic calming or other neighborhood projects), and we are not allowed to spend it on operating expenses. See the following excerpt from an article on this matter.

Excerpt from What Can A Nonprofit Entity Do With Designated Charitable Donations? by Thomas M. Sullivan, attorney with Berry-Moorman, July, 2009 (<http://www.berrymoorman.com/publications/2009/nonprofits-and-designated-charitable-donations.php>)

Gifts Designated for Specific Purposes

When a donor comes to your charitable organization and offers to give a donation for the specific purpose of covering the costs of developmentally disabled individuals in residential care, can the charity, whose purpose is to provide residential care for developmentally disabled individuals, use a portion of those funds to cover overhead and administrative expenses? The answer to that question depends upon what representations were made by the charity or what was directed by the donor at the time of the gift. If, at the time of the contribution, it was clearly understood that the donation was not to be used for overhead or administrative expenses, then none of the donated funds may be used for that purpose. Thus, it is important in making a solicitation for donations to make clear that the charity reserves the right to use the funds for whatever purposes it sees fit, consistent with its overall purpose.

If your charity has accepted funds for a specific purpose, you may be able to go back to the donor and ask the donor to authorize the donation to be used for overhead and administrative expenses. If the donor agrees, then the funds can be used for those purposes as well.

If your charity has received restricted donations, it is wise to establish a restricted fund account for those funds rather than to deposit them into the charity's general account. If your charity has received restricted funds for more than one purpose, then it is wise to subdivide the restricted fund account for each such purpose. Once the restricted fund accounts have been established, the use of the funds from those accounts must be limited to the specific purpose for which they were originally donated.

Conclusion

The money was accepted for traffic calming, and it was placed in a reserve fund (“the CD”, which was converted to a money market account in 2009). The present value closely tracks the inflated value. Should NSCNA decide to abandon the fund traffic calming purposes, an appropriate use in the spirit of the original agreement must be sought. To “properly” redirect, or even spend, this fund would be to hold a policy vote at a general meeting, followed by a board vote to disburse the funds.

NSCNA Nominating Committee 2010 Recommendations

Candidate	Position
Chip Rosenthal	President
Ken Moyer	Vice President
Kate Brien	Secretary
Lois McEvoy	Treasurer
Andreas Guenin	Board
Cheri Hartman	Board
Alyssa Hedge	Board
Don Jones	Board
Vicki McFadden	Board
Mary Jane Wier	Board
Sherran Williams	Board