

Unapproved minutes of the October 5th, 2000 Board of Directors Meeting.

HOUSTON AREA LEAGUE OF PC USERS
MINUTES OF OCTOBER 5TH, 2000
BOARD OF DIRECTORS MEETING
4543 Post Oak Place
Houston, Texas

Any corrections, changes, additions to these minutes will be noted in the next month's minutes when the minutes are approved by the Board.

ATTENDEES:

Officers

President Robert Gunn
First Vice President - SIGs Mike Mashburn
Vice President - Programs Stephen Cravey Absent
Vice President - Communications Jay Thomas
Recording Secretary Anne Sipes
Membership Secretary
Treasurer Wes Leggett

Directors:

Michelle S Annis
Mel Babb
Norman Blaylock
Jeff Boggan
Matthew Castillo Absent
James Coon
William A Goetschius
Robert P Grefe
Moe Jones
J Kolenovsky
Donald B McGowan Absent
Ray Morris
Joseph E Morris Jr
Mike Novominsky
David R. Pausky Absent
Brian Sadler

Parliamentarian: Marilyn Gore

Guests:

29427 Jeff Hupp
44959 Butch Blasingame

32 Charles Evans
18082 John Koppenhauer
46330 David Turner
30460 Pat Freeman

1240 Warren Frost
32856 J. S. Gilstrap
49805 Valerie Belcher

1 I. CALL TO ORDER AT 7:00 PM

2 The President presented an Amended Agenda (**Motion 100001**) and asked for objections.
3 There were no objections to the Amended Agenda. The Amended Agenda was adopted.

4 The President asked for corrections to the Minutes of the September Board of Directors
5 Meeting (**Motion 100002, Agenda Attachment 1**). The Minutes of the September Board of
6 Directors Meeting were approved as presented.

7 The President stated that Tim Kraemer had resigned from the Board of Directors and that the
8 Board needed to elect a new Board Member.

9 Bob Grefe nominated Jeff Boggan.
10 Brian Sadler moved (**Motion 100003**) that nominations be closed.
11 Jeff Boggan was elected to the Board of Directors by acclamation.

12 The President stated that the next order of business was the election of a new Membership
13 Secretary.

14 Mike Mashburn nominated Jeff Boggan.
15 J Kolenovsky moved (**Motion 100004**) that nominations be closed.
16 Jeff Boggan was elected Membership Secretary by acclamation.

17 The President asked for questions regarding the Presidents report (**Agenda Attachment 4**).

18 Ray Morris wanted to know who determined the winner of the HAL-PC Logo contest. The
19 President stated that Marilyn Gore had determined the winner. Marilyn Gore stated that she
20 had asked for the opinions of many of the HAL-PC Members that were active at
21 Headquarters and that she had not made the decision alone.

22 Moe Jones stated that he would like to see all the entries. Marilyn Gore agreed to show him
23 all the logos that were submitted.

24 The President asked for questions about the Treasurers Report (**Agenda Attachment 2**).

25 Ray Morris stated that he would like to revisit Tim Kraemer's resignation. He wanted to
26 know what had become of the Product Distribution Committee's investigation of the
27 ViewSonic Monitor. He was told that the Product Distribution Committee had submitted a
28 report to the Board of Directors and that it had been the recommendation of the committee
29 that the Publisher of the Magazine assume possession of the monitor. Ray Morris stated that
30 he would like to hear another report from the Product Distribution Committee at the next
31 Board of Directors Meeting.

32 The Treasurer stated that we still do not have an audit. He said that the auditor had requested
33 additional information and that we did comply. The auditor had then made a new request for
34 additional information. Mel Babb asked what had happened to LouAnn Coy. The Treasurer

35 stated that other commitments had prevented LouAnn Coy from being able to give HAL-PC
36 the time required to maintain the books. The President stated that it appears that the bank
37 statements had not been reconciled for the last two years. Michelle Annis stated that they
38 had reconciled to
39 the bank statement but not the GL. Mike Novominsky confirmed
40 that the bank reconciliation to the Accounts Receivable and the Accounts Payable had not
41 been done. Ray Morris said that he understood the problem the Treasurer was having with
42 getting the information to present to the Board. He said that he hopes every effort is being
43 made to get the problems straightened out. Michelle Annis stated that the real problem was
44 that this was not addressed last year. She said that all the current records are to date. She
45 said that having to go this far back is extremely difficult. Mike Novominsky said that he will
46 help.

47 The President asked for questions about the VP Communications Report.(**Agenda**
48 **Attachment 5**)

49 J Kolenovsky asked when would most of the people who had gotten into a one year contract
50 with SWB for DSL service start seeing their contracts expire and have the option of coming
51 back. The VP Communications said that most of those contracts would expire in January and
52 February. The VP Communications said that we are seeing some of those trickle back now
53 because of SWB forcing them to use PPPoE. He also said that SWB is stringently enforcing
54 a single IP address where HALNet is allowing the registration of multiple computers. Ray
55 Morris asked why anyone would choose HALNet DSL when there are companies out there
56 that are offering free DSL. The VP Communications stated that he was not aware of this
57 offer. Ray Morris gave the URL and the Parliamentarian displayed <http://www.winfire.com>
58 on the overhead projector. The VP Communications stated that he did not know how well
59 operated this service was. He also said that some people would be leery of spyware. He
60 stated that people were beginning to get a little wise to this stuff. He stated that he would be
61 happy if we concentrated on the knowledgeable segment. J Kolenovsky said that Academic
62 Planet is thinking about providing DSL Service. He said that could be significant. Mike
63 Novominsky asked what was the efficiency ratio between modems and DSL. Robert Gunn
64 stated that it was much less expensive to provide DSL Service. J Kolenovsky stated that DSL
65 is not connection oriented. With the dial up accounts we have to pay for a \$23 a month
66 telephone line. Jay Thomas stated that our DSL costs are fixed at \$3000 per month. Jeff
67 Hupp stated that we are currently equipped to handle up to 4000 DSL accounts. The VP
68 Communications stated that DSL customers have a pretty heavy investment in their
69 connectivity. Mike Novominsky said that cable modem is faster and costs about \$40 a
70 month. Jeff Hupp said that while cable modem providers advertise faster connections they do
71 not deliver. Robert Gunn stated that SWB caps the customers time allowed to be connected
72 to their News Server. HALNet customers have full connectivity. Jeff Hupp stated that it
73 takes SWB customers 3 to 5 times longer to connect to SWB's Mail Server and 5 to 6 times
74 longer to connect to their News Server. Jay Thomas said that SWB's always on DSL Service
75 isn't always on either. Jeff Hupp said that the problem we have is educating the customers
76 that this is a vastly different service that HALNet offers. Robert Gunn said that there was an
77 ex SWB customer present. David Turner said that owning his own internet based business he
78 could not afford to shut down for 5 to 6 hours at a time while SWB was down. Michelle
79 Annis said that her brother had gotten into a one year contract with SWB and that he is tap
80 dancing waiting to get back to HALNet service. Jeff Hupp said that the problem is not the
81 DSL lines provided by SWB it is SWB internet service. He said that the DSL lines stayed up
82 even when all the telephone service was out on the north side of town this last week. He said
83 that SWB just doesn't have enough experience to operate an ISP.

84 Ray Morris asked if anyone knew where hal-pc.com was located.
85 The VP Communications responded that someone bought a domain that we didn't have the

86 foresight to purchase. Ray Morris stated that HAL-PC does own the service mark and asked
87 if anyone had looked into that. The President stated that the problem was enforcement. He
88 said that these people were not likely to stop voluntarily. Mike Novominsky stated that it was
89 his opinion that we should authorize up to \$10,000 to stop hal-pc.com's use of the HAL-PC
90 Service Mark. The President offered to request a report from the legal committee on the
91 matter.

92 Robert Grefe asked about the ongoing efforts to collect on past due advertising accounts. The
93 VP Communications advised that letters had been sent to all past due accounts. We have
94 asked them to "help us update our records". We are also sending statements to all these
95 accounts. What we have basically said is if you think you paid us, prove it. Some payments
96 are being made. One debtor made a partial payment and marked the check "final payment".
97 One sent us a check but it bounced. Some of these people don't have the money. Mike
98 Novominsky said that we should stop running their ads. Jeff Hupp said we could fill that
99 space with Boy Scout ads or we could bump paid half page ads to full page ads.

100 Brian Sadler made a motion (**Motion 100005**) that we take a 10 minute break.

101 The President asked for questions regarding the Member Services Committee Report.

102 The Director of Member Services stated that Member Services had brought in \$1,300 to
103 \$1,500 since he had taken the position. He also said that now that we have a new logo he
104 will be looking into getting new HAL-PC t-shirts.

105 There was a request for a report from the VP Programs. The VP Programs was not present.

106 Mike Novominsky said that it had been two months since he had asked for a report. He said
107 that it was obvious that the VP Programs was not doing his job. The President asked if
108 anyone would like the position. There were no volunteers and no nominations.

109 Mike Novominsky said that nothing had been decided about the December Meeting. The
110 President said that a dinner and dance were being considered for Christmas or New Years.

111 Mike Novominsky asked about Internet elections. The President informed him that Internet
112 Elections were going to require a bylaws change. Mike Novominsky offered to help the
113 Rules Committee with the bylaws changes. Mike Novominsky was appointed to the Rules
114 Committee.

115 David Turner volunteered to help the Library Committee. David Turner was appointed to the
116 Library Committee.

117 Brian Sadler asked if anyone had heard anything from Aspen about the Membership
118 Database. Jeff Hupp stated that the developer was unavailable. He said that Aspen has been
119 asked to refund HAL-PC's money. He also said that he has two qualified programmers
120 working on a Membership Database and that there is already an SQL Server in place. Mike
121 Novominsky asked how much this was costing HAL-PC. Jeff Hupp said that this was being
122 done by volunteers. Mike Novominsky said that we've trying to get this done for five years.
123 He asked if the Board was aware of how useful this would be to HAL-PC. Ray Morris said
124 that the real problem was that the available solutions were MicroSoft Products and that there
125 had been an unwillingness to accept a MicroSoft solution. Most members of the Board
126 indicated that MicroSoft Products were not solutions. Jeff Hupp stated that his team was
127 working on a good solution. We will have a UNIX Interbase Server and Paradox Clients
128 running on Windows. He asked the Board to give his team three months. He said if it
129 wasn't done in three months then we should buy something

130 The President moved (**Motion 100006**) that the November Board Meeting be moved to the
131 1st.
132 There were no objections.

133 Brian Sadler made a motion (**Motion 100007**) to adjourn

134 The October 5th, 2000 Board of Directors Meeting adjourned at 8:40pm

Motion 100001

HOUSTON AREA LEAGUE OF PC USERS
BOARD OF DIRECTORS
PROPOSED AMENDED AGENDA
FOR October 5, 2000 MEETING

I. CALL TO ORDER AT 7:00 PM

1. Recognize any non-member guests
2. Approval of the Agenda of Board of Directors October 5, 2000 meeting

1. Approval of the minutes of the September 7, 2000 Board of Directors Meeting (Attachment 1).

II. REPORTS

1. President's Report (Attachment 4)
2. Treasurer's Report (Attachment 2)
3. Member Services Director
Member Services Committee (Attachment 3)

III. UNFINISHED BUSINESS

IV. NEW BUSINESS

- I. Elect Board member to replace Tim Kraemer
2. Elect a Membership Secretary

V. ADJOURN BY 8:00 PM

Motion 100002, Agenda Attachment 1

Unapproved minutes of the September 7, 2000 Board of Directors Meeting.

HOUSTON AREA LEAGUE OF PC USERS
MINUTES OF September 7, 2000
BOARD OF DIRECTORS MEETING
4543 Post Oak Place
Houston, Texas

Any corrections, changes, additions to these minutes will be noted in the next month's minutes when the minutes are approved by the Board.

ATTENDEES:

Officers

President Robert Gunn
First Vice President -SIGs Mike Mashburn
Vice President -Programs Stephen Cravey
Vice President -Communications Jay Thomas
Recording Secretary Anne Sipes
Membership Secretary Tiffany Kong
Treasurer Wes Leggett

Directors:

Michelle S Annis
Mel Babb
Norman Blaylock
Matthew Castillo
James Coon
William A Goetschius
Robert P Grefe
Moe Jones Absent
J Kolenovsky Absent
Tim Kraemer Absent
Donald B McGowan Absent
Ray Morris
Joseph E Morris Jr
Mike Novominsky
David R. Pausky
Brian Sadler

Parliamentarian: Marilyn Gore

Guests:

David Turner
John Cochran
H. Farb
Pat Freeman
John Gilstrap

1 I. CALL TO ORDER AT 7:00 PM
2

3 Ray Morris objected to conducting any business on the basis that he had not received
4 the BoD Packet within 5 working days of the Board Meeting. The President asked
5 him what the
6 postmark was on his Board Packet. Ray Morris stated that the BoD Packet was
7 postmarked August 31st. The President asked the Recording Secretary when the
8 Board Packet was mailed. The Recording Secretary stated that the Board Packets had
9 been deposited at the main post office on August 29th. Several Board members stated
10 that their BoD packets had also been postmarked August 31st. The Recording
11 Secretary stated that the BoD packets had in fact been mailed on the 30th and
12 apologized for having incorrectly specified the date. She also stated that was still
13 within the time allowed by the bylaws. The Parliamentarian read the pertinent portion
14 of the HAL-PC bylaws:

15
16 The Recording Secretary shall notify each Director of the time, place and agenda of
17 Board meetings at least five (5) working days prior to the meeting. Notice shall be
18 deemed to have been made by delivering the required notice (a) by regular mail to
19 each Director at his or her last known mailing address at least one (1) day prior to the
20 day the notice is due, or (b) by electronic mail, or within a specified message area on
21 HAL-PC's bulletin board, if such electronic delivery has been authorized in a writing
22 delivered to the Recording Secretary.
23

24 Ray Morris pointed out that Monday, September 4th had been a holiday. The
25 Recording Secretary had in fact counted Monday, September 4th as a working day.
26

27 There was discussion regarding whether the Board Meeting should be adjourned. The
28 Parliamentarian read the pertinent portion of the Texas State Non-Profit Corporation
29 Act.:

30
31 Art. 1396-2.19. Place and Notice of Directors' Meetings.

32
33 A. Meetings of the board of directors, regular or special, may be held either within
34 or without this State.
35

36 B. Regular meetings of the board of directors may be held with or without notice as
37 prescribed in the by-laws. Special meetings of the board of directors shall be held
38 upon such notice as is prescribed in the by-laws. Attendance of a director at a
39 meeting shall constitute a waiver of notice of such meeting, except where a director
40 attends a meeting for the express purpose of objecting to the transaction of any
41 business on the ground that the meeting is not lawfully called or convened. Neither
42 the business to be transacted at, nor the purpose of, any regular or special meeting of
43 the board of directors need be specified in the notice or waiver of notice of such
44 meeting, unless required by the by-laws.
45

46 Acts 1959, 56th Leg., p. 286, ch. 162, art. 2.19.
47

48 The President asked Ray Morris if his attendance at this BoD meeting was for the
49 express purpose of objecting to the transaction of any business on the ground that the
50 meeting was not lawfully called or convened. Ray Morris stated that he would like to

51 have the Board Meeting.

52

53 The Recording Secretary collected conflict of Interest statements from Ray Morris,
54 Mel Babb and Tiffany Kong.

55

56 Ray Morris requested copies of all of the conflict of interest statements.

57

58 The President asked if there were any objections to waiving the reading of the minutes
59 of the July 31st Board of Directors Meeting.

60

61 Ray Morris stated that he had not had adequate time to review the minutes and that he
62 was therefore objecting to waiving the reading of the Minutes.

63

64 David Pausky moved to table the approval of the minutes of the July 31st, 2000 BoD
65 Meeting.

66

67 The President stated that he did not believe that motion was in order.

68

69 The Recording Secretary read the entire text of the minutes of the July 31st, 2000
70 BoD Meeting:

71

72 Unapproved minutes of the July 31st, 2000 Board of Directors Meeting.

73

74 HOUSTON AREA LEAGUE OF PC USERS

75 MINUTES OF JULY 31, 2000

76 BOARD OF DIRECTORS MEETING

77 4543 Post Oak Place

78 Houston, Texas

79

80 Any corrections, changes, additions to these minutes will be noted in the next month's
81 minutes when the minutes are approved by the Board.

82

83 ATTENDEES:

84

85 Officers

86

87 President Robert Gunn

88 First Vice President -SIGs Mike Mashburn

89 Vice President -Programs Stephen Cravey

90 Vice President -Communications Jay Thomas

91 Recording Secretary Anne Sipes

92 Membership Secretary Tiffany Kong Absent

93 Treasurer Wes Leggett

94

95 Directors:

96

97 Michelle S Annis

98 Mel Babb Absent

99 Norman Blaylock

100 Matthew Castillo

101 James Coon

102 William A Goetschius

103 Robert P Grefe

104 Moe Jones
105 J Kolenovsky
106 Tim Kraemer Absent
107 Donald B McGowan Absent
108 Ray Morris
109 Joseph E Morris Jr
110 Mike Novominsky
111 David R. Pausky

112
113 Parliamentarian: Marilyn Gore

114
115 Guests:

116
117 5276 Gerald Zimmerer
118 43876 John Cochran
119 48469 Nino S. G. Ramos
120 50203 Brian Sadler
121 11972 Carla Cawlfild
122 26990 Nancy Ward
123 3989 Jimmie Stewart
124 47324 Marvin Kaiser
125 41349 Mary Ann Mitscherling
126 18082 John Koppenhauer
127 27469 Bob Bartlett
128 23874 John Moore
129 32 Charles Evans
130 39394 H. Kelly Brown III
131 29427 Jeff Hupp
132 23136 Randy Herzstein
133 31035 Eric Hirtriter

134
135 I. CALL TO ORDER AT 7:00 PM

136
137 Ray Morris objected to conducting any business on the basis that he had not received
138 the BoD Packet within 5 working days of the Board Meeting. The President asked
139 him what the
140 postmark was on his Board Packet. Ray Morris stated that the BoD Packet was
141 postmarked July 24th. The President examined the envelope and confirmed the
142 postmark was July 24th, 2000. The President asked the Recording Secretary when the
143 Board Packet was mailed. The Recording Secretary stated that the Board Packets had
144 been deposited at the main post office on July 23rd and that there had been a witness
145 present. The President asked other Board Members if they had received their Board
146 Packets within the time prescribed by the bylaws and there were no negative
147 responses.

148
149 The President asked Ray Morris when he had received the packet via e-mail. Ray
150 Morris replied that he did not remember but that since he had not agreed to accept the
151 Board Packet via e-mail it did not matter when he had gotten it.

152
153 Ray Morris' objection to the meeting was overruled by the President, Robert Gunn.
154 Ray Morris left. He asked that the Recording Secretary include in the minutes that he
155 was leaving because he considered the meeting unlawful.

156

157 The Recording Secretary distributed an Amended Agenda.
158 Joe Morris, Jr moved for adoption of the Amended Agenda.
159 The motion passed by acclamation.

160
161 Robert Gunn asked for objections to his appointment of Marilyn Gore as
162 parliamentarian.
163 Hearing no objections Marilyn Gore was appointed Parliamentarian.

164
165 Robert Gunn asked for the approval of the minutes of the June 8th, Board Meeting
166 with the following amendments:

167
168 381. Mike Novominsky no
169 526. Ann Herbage
170 570. Deleted
171 641. Mike Novominsky was against being placed on a committee that he had no
172 knowledge of.

173
174 David Pausky asked that the following additional changes be made:

175
176 95 honored guest (outgoing directors)
177 He requested that:
178 60 Carla Cawlfild
179 89 Jeff Boggan

180
181 be moved under line 95.

182
183 Hearing no other objections the minutes of the June 8th, 2000 Board of Directors
184 Meeting were approved as amended.

185
186 **II. REPORTS**

187
188 **PRESIDENT'S REPORT** (Attachment 1, with Attachment A and Attachment B)

189
190 The President distributed his report and delivered the same report verbally.

191
192 The President then asked for questions about the President's Report. There were no
193 questions offered.

194
195 **TREASURER'S REPORT** (Attachment 15)

196
197 The Treasurer distributed a corrected Treasurer's Report. He commented that the
198 Treasurer's Report that was distributed with the Board Packet has some spelling and
199 typographical errors but that the content of the report remained unchanged.

200
201 The President then asked for questions regarding the Treasurer's Report. There were
202 no questions offered.

203
204 **VICE PRESIDENT-SIGS**

205 Education Committee (Day, Evening, Clear Lake) (Attachment 2)

206 Product Distribution Committee (Attachment 3)

207 SIG Committee (Attachment 4)

208
209 The President asked for questions regarding the VP-SIG's reports.

210 There were no questions offered.

211

212 VICE PRESIDENT-PROGRAMS

213 Programs Committee (Attachment 5)

214

215 The President asked for questions regarding the VP-Programs' Reports.

216 There were no questions offered.

217

218 VICE PRESIDENT-COMMUNICATIONS

219 Headquarters Communication facilities and the Magazine (Attachment 14)

220 Internet (Attachment 6)

221

222 The President asked for questions regarding the VP-Communications' Reports.

223 There were no questions offered.

224

225 MEMBER SERVICES DIRECTOR

226 Member Services Committee (Attachment 7)

227

228 The President asked for questions regarding the Member Services Director's Reports.

229 There were no questions offered.

230

231 RECORDING SECRETARY'S REPORT (Attachment 9)

232

233 The President asked for questions regarding the Recording Secretary's Report.

234 There were no questions offered.

235

236 III. UNFINISHED BUSINESS

237

238 IV. NEW BUSINESS

239

240 The President explained the use of the consent Agenda. He stated that any Director
241 had the right to request that any item be taken off the Consent Agenda and discussed.
242 He stated that so long as no Director had any objections, the Consent Agenda would
243 offer the Board a way to approve several non-controversial items at one time. He
244 stated that the Consent Agenda was an acceptable form according to Roberts Rules of
245 Order.

246

247 David Pausky objected to lump summing items for the Board's approval under any
248 circumstances.

249

250 The President stated that if David Pausky would object to any item on the Consent
251 Agenda then it would be removed from the Consent Agenda and opened for
252 discussion.

253

254 David Pausky did not object to any specific item on the Consent Agenda.

255

256 Matthew Castillo moved that the Consent Agenda be approved as presented.

257

258 David Pausky objected.

259

260 The President asked David Pausky if he was objecting to the use of the Consent
261 Agenda as a whole and not to any specific item on the Consent Agenda. David
262 Pausky said that he was objecting to the use of a Consent Agenda.

263 The President ruled that all items be moved off of the Consent Agenda on the basis of
264 David Pausky's objection.
265
266 Jay Thomas moved (MOTION 000701) that the Board confirm Meredith Foster's
267 appointment as the HAL-PC Magazine Publisher.
268 The motion passed by acclamation.
269
270 J Kolenovsky moved (MOTION 000702) that the Board confirm Matthew Castillo's
271 appointment to the Programs Committee.
272 The motion passed by acclamation.
273
274 J. Kolenovsky moved (MOTION 000703) that the Board confirm Anne Sipes
275 appointment as Programs Committee Chair.
276 The motion passed by acclamation.
277
278 Stephen Cravey moved (MOTION 000704) that the Board confirm Mike Mashburn's
279 appointment to the Product Distribution Committee.
280 The motion passed by acclamation.
281
282 J Kolenovsky moved (MOTION 000705) that the Board confirm David Pausky's
283 appoint as Product Distribution Committee Chair.
284 The motion passed by acclamation.
285
286 Mike Mashburn moved (MOTION 000706) that the Board confirm Pat Freeman's
287 appoint to the Library Committee.
288 The motion passed by acclamation.
289
290 J. Kolenovsky moved (MOTION 000707, AGENDA ATTACHMENT 13) that the
291 August Board of Directors Meeting be cancelled.
292
293 Moe Jones objected.
294
295 The motion passed by voice vote.
296
297 The floor was opened for Nominations for a replacement Director.
298 Norman Blaylock nominated Brian Sadler.
299 J Kolenovsky moved (MOTION 000708) that nominations be closed.
300 Brian Sadler was appointed a member of the HAL-PC Board of Directors by
301 acclamation.
302
303 Because the Bylaws currently require that the BOD elect members to the executive
304 committee in July or a subsequent meeting the floor was opened for nominations to
305 the Executive Committee as prescribed by the bylaws.
306 Joe Morris, Jr nominated James Coon and David Pausky.
307 J Kolenovsky moved (MOTION 000709) that nominations be closed.
308 James Coon and David Pausky were appointed to the Executive Committee by
309 acclamation.
310
311 J Kolenovsky moved (MOTION 000710, AGENDA Attachment 11) that HAL-PC
312 form a donations Committee.
313 The motion passed by acclamation.
314
315 William Goetschius moved (MOTION 0711, AGENDA Attachment 12) to assign

316 authority to the Vice President-Programs.
317
318 David Pausky stated that he was against the direction that the Programs Committee
319 had taken and that it was his intention to take the matter up with the Programs
320 Committee.
321
322 Mike Novominsky stated that he was not opposed but would prefer that the
323 VP-Programs submit a plan to the Board for approval.
324 William Goetschius withdrew the motion.
325
326 Mike Novominsky moved to cancel the August General Meeting.
327
328 Norman Blaylock amended the motion (MOTION 000712) to cancel both the August
329 and the October General Meeting.
330 The motion passed by acclamation.
331
332 The Treasurer moved (MOTION 000713) to assign a new depository.
333
334 Mike Novominsky asked if the new depository would be able to handle our lock box.
335 Wes Leggett responded yes and do it locally.
336 Robert Gunn stated that we would not close the existing account.
337 Brian Sadler asked about rates offered by Citizens National.
338 Jay Thomas responded that with our balance the fees would not be an issue.
339 The motion passed by voice vote.
340
341 The Treasurer moved to adopt a resolution to request a grant of \$75,000 from the
342 Greater Houston Community Foundation.
343
344 The Treasurer stated that a substantial portion of HAL-PC's funds had been transferred
345 to this account immediately prior to the June 6th election. He stated that we should
346 not have to do this again.
347 Brian Sadler asked how much we had in the account.
348 Robert Gunn stated that we have approximately \$800,000.
349 The motion passed by voice vote.
350
351 The Recording Secretary read the Synergy/HAL-PC Joint Venture accounting and
352 report (Attachment 8) as submitted by Gerald Zimmerer.
353
354 J Kolenovsky moved to accept the report and final accounting.
355 Mike Novominsky objected.
356 Mike Novominsky asked if a representative of the Education Committee was present?
357 He asked how we could know that the final accounting was correct. He also stated
358 that HAL-PC had gone to a lot trouble to offer the Cisco classes and the club had
359 spent
360 a lot of money. He stated that it was his opinion that this was a poor way of handling
361 the accounting.
362
363 Gerald Zimmerer stated that HAL-PC expended no out of pocket funds. He said that
364 he had set it up that way.
365 The President confirmed that no checks had been signed to cover any expenditures
366 relating to the Cisco training classes.
367 David Pausky stated that there was a loss of revenue as a result of the classes using
368 HAL-PC resources.

369 The President stated that the previous Board had approved this arrangement.
370 Mike Mashburn confirmed the amount owed.
371 Mike Novominsky withdrew objection
372 Gerald Zimmerer stated that he had a problem with the amount. He wanted to give a
373 round number so he had made the check for \$15,000.
374 He also said the Cisco Training classes had gotten fabulous reviews.
375 He asked the Board to modify the motion to accept at least 14,987.50.
376 J Kolenovsky moved (MOTION 000714) to accept Gerald Zimmerer's
377 report with an amendment to accept payment in the amount of \$15,000.
378 The motion passed by acclamation.

379
380 Gerald Zimmerer asked the Board to let him know if we wanted to do this again.
381 J Kolenovsky stated that he would like to see HAL-PC offer more opportunities like
382 the Cisco Training Classes.

383
384 The Treasurer moved (MOTION 000715, AGENDA ATTACHMENT 10) to adopt the
385 FY 2000 Budget as presented.
386 Mike Novominsky stated that the positive \$15,997.76 was the result of a \$213,596.55
387 contribution from HALNet. He said that he had no objection as long as the Board
388 understood that the contribution from HALNet was there.

389
390 David Pausky expressed appreciation for all the work the Finance Committee had put
391 into developing this budget.
392 Robert Gunn thanked everyone involved.
393 The motion passed by acclamation.

394
395 Mike Novominsky objected to the immediate publication of the minutes.
396 David Pausky stated that he would prefer they not be posted until they were approved.
397 The discussion developed and the Board determined that they would take a week to
398 review and approve the minutes before they were posted.

399
400 J Kolenovsky moved (MOTION 000716) to adjourn

401
402 The July 31, 2000 Board of Directors Meeting adjourned at 8:03pm.

403
404 Respectfully Submitted,

405 --

406 Anne Sipes

407 Recording Secretary

408
409 Wes Leggett moved to waive the reading of any attachments that had been included
410 with the July 31, 2000 BoD Packet.

411
412 Ray Morris and Mel Babb objected.

413
414 The President pointed out that Ray Morris had not been present for most of the July
415 31, 2000 BoD meeting. He asked how Ray Morris could have an opinion on the
416 minutes of a meeting he did not attend.

417
418 The motion passed by voice vote.

419
420 The Recording Secretary read the entire Presidents Report and attachments from the
421 July 31, 2000 BoD meeting because that report had not been included with the BoD

422 packet:

423

424

ATTACHMENT 1

425

426

Houston Area League of PC Users, Inc.

427

President's Report to the Board

428

31 July, 2000

429

430

I. HAL-PC is now sponsoring a co-educational Explorer Post through The Boy Scouts of America which will focus on computers and the internet. Anyone who has an interest in helping with this project, please contact the president.

431

432

433

434

II. Eric Hirtriter resigned from the HAL-PC Board of Directors effective July 13, 2000. A report of the Legal Committee regarding the procedural issues involved in this matter is included in this report as Attachment A. His replacement will be elected at this meeting.

435

436

437

438

439

III. Pat Freeman has resigned as a member of the Bulletin Board committee.

440

441

IV. We are updating our assumed name/DBA status with Harris County and the Texas Secretary of State's office.

442

443

444

V. In response to Ray Morris' concern as voiced at the June 2000 BOD meeting, a copy of an FAQ regarding Internal Revenue Service Code Sec. 4958 dealing with Excess Benefit Transactions for 501(c)(3) Tax Exempt Organizations is included in this report at Attachment B. The relevant portion of the statute is highlighted. Briefly, the only transactions that are prohibited are those where the benefit exceeds the value of the service performed. To my knowledge, no one has suggested that any employee or contractor of this organization is receiving compensation of any kind in excess of the value of services performed.

445

446

447

448

449

450

451

452

453

Robert E. Gunn

454

President, HAL-PC

455

456

ATTACHMENT "A"

457

458

To: The Board Of Directors Of HAL-PC

459

From Legal Committee, HAL-PC

460

Re: Memorandum Of Opinion

461

Date 29 July 2000

462

463

464

Background

465

466

Eric Hirtriter, a Director of HAL-PC, in his message of 13 July 2000 to Robert Gunn, President of HAL-PC, stated :

467

468

469

"There was a secure site for financials, BOD area for info, getting messages from other board members, getting notifications to committee info? etc. It was my understanding that all BOD members were getting this a free hal-net acct in order for us to provide service to the membership. If this is incorrect or you are going to change this policy, I just assume cancel my volunteering to the BOD, The Product Distribution Committee, Build or Buy Sig, etc. where I volunteer to help. If this is

470

471

472

473

474

475 your decision, or the BOD's decision to cancel this free HAL-N et acct, let this letter
476 act as my resignation. Effective immediately! As well as refunding my entire
477 HAL-PC dues."

478
479 Replying to the foregoing, Gunn answered:

480
481 "You resigned in your e-mail message of June 13th. Your resignation has been
482 accepted and a check issued to refund your HAL-PC membership dues. This is
483 precisely what you asked for in your message to me."

484
485 In the reply, Gunn said to Hirtriter:

486
487 "The Board of Directors WILL NOT BE GETTING FREE INTERNET
488 ACCOUNTS while I am president of this club. It is patently obvious that to give
489 directors accounts that other members are required to pay for is not legal under the
490 HAL-PC bylaws", and quoted from Article V of the Bylaws:

491
492 "ARTICLE V. CONFLICT OF INTEREST

493
494 A. No Director may accept any compensation or remuneration for
495 serving as a Director."

496
497 Apparently, Hirtriter then wrote to others, we assume (from the penultimate and
498 terminal sentence) to other directors than Gunn, questioning the authority of Gunn to
499 terminate a free HALNET account or to accept Hirtriter's resignation:

500
501 "Does the BOD vote to have a free HALNET acct or the President? Should all
502 Directors have a free HALNET acct? I was asked today to give a forwarding address
503 so that I could get my refund for HAL-PC dues, as if a decision was made about this
504 topic
505 and that Mr. Gunn accepted my resignation and cancelled my membership. Please
506 respond to me back to:

507
508 rehirt@hotmail.com

509
510 I was forced to get this email account today since it was implied that my
511 HALNET email would be disconnected. If that is the will of the BOD, I will gladly
512 resign. Please let me know how you all feel about this topic and send a cc: to
513 president@hal-pc.org"

514
515 Apparently, Hirtriter then also addressed Gunn directly:

516
517 "I have not resigned. Since it not the President's ability to accept a resignation, I
518 will be at the next BOD meeting and we will discuss the use of HAL-NET for BOD
519 members in order to perform the tasks that the members voted for them to perform.
520 See you there!

521
522 Request for Opinion

523
524 President Gunn has asked the Legal Committee to render its opinion on the effect of
525 Hirtriter's communication to Gunn on 13 July 2000:

526
527 "I'd like to get the opinion of the legal committee on this. I take the position that

528 Eric resigned to me in a writing. He will not be getting a free Internet account, and
529 the board will not be allowed to vote on free Internet accounts for board members
530 because it is illegal under the bylaws (Article V, Section A) and consequently cannot
531 come to the floor."
532

533 Sources of Basis for Opinion

534
535 The Bylaws of HAL-PC impart to the President of HAL-PC the following executory
536 powers:

537
538 "D. The general responsibilities of the officers are as follows:

539
540 1. Conduct day-to-day HAL-PC business.

541
542 2. Preserve the assets of HAL-PC.

543
544 E. The specific duties of HAL-PC officers are as follows:

545
546 1. The President shall:

547
548 a. Serve as the chief executive officer of HAL-PC.

549
550 b. Preside over General, Annual and Special meetings.

551
552 c. Serve as Chairperson of the Board.

553
554 d. Preside over all Executive Committee meetings.

555
556 e. Conduct relations with other user groups."
557

558 The duties and responsibilities of the Board of Directors are set forth in the By-Laws
559 as follows:

560
561 "B. The general duties and responsibilities of the Board include the following:

562
563 1. Establish policies and procedures for the conduct of HAL-PC's affairs.

564
565 2. Approve the HAL-PC budget.

566
567 3. Approve any oral or written communication on behalf of HAL-PC.

568
569 4. Sponsor meetings in the name of HAL-PC.

570
571 5. Set general policies for all HAL-PC publications.
572

573 C. Specific duties of the Board include the following:

574
575 1. Recommend the amount of annual dues.

576
577 2. Recognize, certify and decertify Special Interest Groups ("SIGs").

578
579 3. Confirm the President's appointments of committee chairs.
580

581 4.Recommend to the membership the removal of any Director.

582
583 5.Appoint, when necessary or as appropriate, the User Journal Editor,
584 Member Services Director, Vendor Liaison Officer, Membership Exchange (Swap
585 Meet) Director, Bulletin Board System Operators, Volunteer Coordinator, Welcome
586 Committee Chairman,
587 Exposition and Special Events Coordinator, Software Librarian and other such
588 functionaries as the Board deems necessary and appropriate.

589
590 6.Elect the Officers of HAL-PC.

591
592 D. Except as provided below the term of office of Directors shall be two (2) years and
593 shall run from the date of their election to the commencement of the second following
594 Annual Meeting at which their successors are elected. To implement these
595 amendments to the
596 Bylaws, the twelve (12) Director candidates receiving the highest number of votes at
597 the June, 1994 Annual Meeting shall serve a two (2) year term, and the remaining
598 vacancies shall be filled by the Director candidates receiving the next highest number
599 of votes to serve a one (1) year term. "

600
601 Opinion

602
603 There are two dispositive issues to the question presented.

604
605 I. Was there an effective resignation?

606
607 II. Was acceptance of the resignation required?

608
609 I. With respect to the first issue, the Hirritter communication of 13 July 2000 stated

610
611 "If this is your decision, or the BOD's decision to cancel this free HAL-Net
612 account, let this letter act as my resignation. Effective immediately!"

613
614 The decision to which the foregoing referred is:

615
616 "There was a secure site for financials, BOD area for info, getting messages
617 from other board members, getting notifications to committee info? etc. It was my
618 understanding that all BOD members were getting this a free hal-net acct in order for
619 us to provide service to the membership."

620
621 The President, I am informed, had indeed decided not to renew free HALNET
622 accounts to directors who received them on the sole basis of a directorship position, on
623 the basis that free HALNET accounts constituted illegal compensation or remuneration
624 under Article V.A.

625 of the By-Laws. Since a policy to provide free service HALNET accounts to
626 members of the Board of Directors would contravene Article V.A. of the By-Laws, no
627 act of the Board would be necessary to revoke the unpermitted policy. Accordingly,
628 there having been a decision of the President not to renew free HALNET accounts to
629 directors who received them on the sole basis of a directorship position, the condition
630 to the resignation was met and the resignation was not conditional upon a later event
631 but was effective when delivered, "effective immediately".

632
633 VI. With respect to the second issue, the members of HAL-PC repose in the Board

634 of Directors and the President the powers granted in the By-Laws. There is no
635 specific provision in the By-Laws specifying a manner of voluntary resignation by a
636 director. While the Board of Directors has the power to recommend involuntary
637 removal of a director, nothing in the responsibilities and duties of the Board of
638 Directors requires a voluntary written resignation of a director tendered to the
639 President shall be ineffective unless and
640 until accepted by the President or ratified by the Board of Directors. Since the
641 By-Laws do not specify that a resignation voluntarily communicated to the President is
642 not effective upon
643 delivery, even a refusal to accept the resignation would not be effective to prevent the
644 resignation. The President, as "chief executive officer" of HAL-PC has plenipotentiary
645 powers to execute the affairs of HAL-PC not assigned to other officers or reserved to
646 the Board, so receipt of a communicated voluntary resignation is well within his
647 powers. Acceptance of the
648 resignation is not required. While President Gunn "accepted" the resignation, that
649 was un-necessary for its effectiveness.

650
651 Submitted by the Legal Committee this 29th day of July, 2000

652
653 Tim L. Burgess
654 Reginald Hirsch

655
656
657 ATTACHMENT "B"

658
659 [Thompson & Thompson] [Attorneys and Counselors]

660
661
662 FAQ's -Excess Benefit Transactions for 501(c)(3) and 501(c)(4) Tax Exempt
663 Organizations

664
665 In 1996 Congress passed legislation which gave the IRS more flexibility in
666 correcting perceived abuse in the area of excessive compensation for executives of tax
667 exempt organizations.

668
669 This subject generally comes under the heading of "private inurement" for tax
670 purposes. Under prior law, any amount of an exempt organization's net income or net
671 assets (including excessive compensation) `inuring' to the benefit of a nonprofit insider
672 (such as a key executive or board member), no matter how small the inurement, was
673 grounds for revoking the exempt status of the organization. Now, rather than taking
674 this drastic measure, at least with respect to excessive compensation, the IRS can
675 simply impose fines.

676
677 This has potentially both good and bad consequences for exempt
678 organizations. On the one hand, an organization's exempt status is less in jeopardy
679 based on a board's judgment as to the proper level of executive compensation. On
680 the other hand, the IRS will undoubtedly be policing this area more, leading to
681 increased scrutiny and a second-guessing of nonprofit boards.

682
683 Consider the following quote as reported in THE WALL STREET JOURNAL on
684 August 7, 1996:

685
686 "Previously, the IRS had only a single, and largely impractical tool at its disposal:

687 revoking the tax-exempt status of the organization. 'We only had an atomic bomb
688 before,' said Marcus Owens, director of the agency's Exempt Organization division.
689 'Now we'll have less severe weapons.' The new, intermediate sanctions are an attempt
690 to gain, more oversight of burgeoning nonprofit sector, whose 1.2 million
691 organizations now constitute 11% of the U.S. economy."
692

693 A summary of the new tax on excess benefit transactions (new Internal Revenue
694 Code Sec. 4958) is as follows:
695

696 A. Excess Benefit Transaction Defined.

697
698 1. An excess benefit transaction is any transaction in which an economic benefit
699 is provided by an organization directly or indirectly to or for the use of any
700 disqualified person if the value of the economic benefit provided exceeds the value of
701 the consideration (including the performance of services) received for providing such
702 benefit.
703

704 2. An excess benefit transaction includes any transaction in which the amount of
705 any economic benefit provided to or for the use of a disqualified person is determined
706 in whole or in part by the organization's revenues and results in any private inurement.
707

708 3. The new rules apply to any 501(c)(3) organization (except a private
709 foundation) and any 501(c)(4) organization as of September 14, 1995.
710

711 B. Key Definitions.

712
713 1. A "disqualified person" is: a) any person who was (within the last 5 years) in
714 a position to exercise substantial influence over the affairs of the organization; b) a
715 member of the family of an individual described in the preceding clause; and c) a
716 corporation, partnership, trust or estate of which 35% is owned or controlled by
717 persons described in this paragraph.
718

719 2. An "organization manager" is any officer, director, or trustee of the
720 organization (or any individual having powers or responsibilities similar to those of
721 officers, directors, or
722 trustees).
723

724 3. "Correction" means undoing the excess benefit to the extent possible, and
725 taking any additional measures necessary to place the organization in a financial
726 position not worse than it would be if the disqualified person were dealing under the
727 highest fiduciary standards.
728

729 C. Amount of Tax.

- 730
731 1. 25% of excess benefit is taxed to the disqualified person involved.
732 2. 10% of excess benefit is taxed to any organization manager who was
733 knowingly involved.
734 3. 200% of excess benefit is taxed to the disqualified person involved if
735 correction is not made by the end of the taxable year.
736

737 Reading of the minutes and the attachments took approximately and hour and a half.
738

739 The President asked if there were any corrections to the minutes of the July 31st, 2000

740 BoD meeting.

741

742 Mike Mashburn stated that he had not confirmed the amount owed on the
743 Synergy/HAL-PC Joint Venture. He had in fact confirmed that there were no out of
744 pocket expenditures.

745

746 Ray Morris complained that the minutes were not showing the seconds to the motions.
747 The President stated that the fact that the motion passed implied a second.
748 Ray Morris stated that the seconds should be in the minutes.

749

750 The parliamentarian read the pertinent part of Robert's Rules of Order.
751 It was agreed that it is not necessary to include the seconds in the minutes.

752

753 Mel Babb complained that there were no line numbers on the copy of the minutes that
754 she had received. She also stated that she would like to receive the minutes via U.S.
755 Mail as well as e-mail. David Pausky stated that he would like his copy of the
756 minutes mailed to him as well.

757

758 Brian Sadler moved that the minutes be approved as corrected.
759 Ray Morris abstained on the basis of his absence at the July 31, 2000 BoD meeting.
760 The motion passed by voice vote.

761

762 II. REPORTS

763

764 TREASURER'S REPORT (Attachment 2)

765

766 The President asked for questions regarding the Treasurer's Report.

767

768 Ray Morris asked if it was true that the \$75,000 withdrawal from the Greater Houston
769 Community Foundation had not been made. The Treasurer stated that it had not been
770 necessary to withdraw those funds yet.

771

772 Ray Morris said he would like to see more detail in the Treasurers Report. He was
773 interested in seeing the cash balance and the money that had been spent. The
774 Treasurer stated that he was working on it. He said that there are some changes that
775 are being made in the office that should make that kind of detail available in the
776 future.

777

778 Mel Babb asked if we were up to date on paying our bills. She said that she had not
779 received her reimbursement check yet. The Treasurer stated that to the best of his
780 knowledge we were current on paying our bills. Michelle Annis asked if Mel Babb
781 had turned her expenses in to LouAnn Coy. Mel Babb stated that she had turned her
782 expenses in to LouAnn Coy. David Pausky suggested that she resubmit her expenses.
783 He stated that he waited for a month and half and had to resubmit his expenses in
784 order to get reimbursed for out of pocket expenses this time.

785

786 Ray Morris asked if the next Treasurers Report would show how close we are getting
787 to staying within the budget.

788

789 The Treasurer stated that was the goal.

790

791 There were no further questions about the Treasurers Report.

792

793 VICE PRESIDENT-SIGS (Attachment 3)
794 Education Committee (Day, Evening, Clear Lake)
795 Product Distribution Committee
796 SIG Committee
797

798 The President asked for questions regarding the VP-SIG's reports.
799 There were no questions offered.
800

801 VICE PRESIDENT-COMMUNICATIONS (Attachment 4)
802 Headquarters Communication facilities and the Magazine
803 Internet
804

805 The President asked for questions regarding the VP-Communications' Reports.
806

807 Ray Morris asked how we stood on Internet accounts. Robert Gunn stated that we
808 were right at 8100. The VP-Communications stated that we were staying pretty flat.
809
810

811 Ray Morris asked if we were seeing an increase in DSL accounts. The VP-
812 Communications stated that we were in fact seeing an increase. We have been having
813 some problems with Southwestern Bell and we are working with them on that. He
814 said that we are seeing users of alternative OSs (Operating Systems) like Linux and
815 Mac OS choosing HALNet because we do not force them use PPPOE (Point to Point
816 Protocol Over Ethernet). He also stated that we are getting some users back from
817 other ISP's because they have had time to become disenchanted with the service they
818 received through those other ISP's. Mike Novominsky stated that SWB was going to
819 charge him an extra \$100 to use HALNet as his DSL ISP. The VP-Communications
820 stated that was one of the problems. He also said another problem was SWB
821 switching HALNet customers to SWB Internet service without their knowledge. He
822 said that often the user doesn't know that their ISP has been changed until they are no
823 longer able to send their e-mail. He said that this week one customer who had
824 HALNet DSL for a while had only requested the service be transferred to a different
825 address and SWB had somehow managed to switch the ISP to SWB internet service.
826 He said another problem is that SWB seems to be taking much longer to install DSL
827 service to customers who choose an alternative ISP. He said that sometimes
828 customers who ask that their ISP be changed will be without service for a month or
829 even a month and a half. He said this is because SWB processes this type of change
830 as a disconnect and then re-install as new. David Pausky asked if we have published
831 information to help our subscribers know how to deal with this. Robert Gunn stated
832 that we do have a Web Page. Jeff Hupp stated that right now SWB is a moving
833 target. The VP-Programs said that SWB keeps changing things which makes it very
834 difficult to publish a procedure for getting HALNet DSL and keep it to date. Michelle
835 Annis stated that the front desk volunteers are being kept informed of the procedures
836 as they are developed.
837

838 There were no other questions offered.
839

840 RECORDING SECRETARY'S REPORT (Attachment 5)
841

842 The President asked for questions regarding the Recording Secretary's Report.
843 There were no questions offered.
844

845 III. UNFINISHED BUSINESS

846 IV. NEW BUSINESS

847
848 Ray Morris said that he would like to hear from the Membership Secretary. The
849 Membership Secretary, Tiffany Kong stated that she was resigning her position as
850 Membership Secretary effective at this BoD Meeting. She stated that other
851 responsibilities had interfered with her ability to give the job the time that it required.
852

853 Michelle Annis offered that Membership was at 12,400 to 12,500. She stated that we
854 are steadily signing new members but we are losing members as well.
855

856 Mike Novominsky stated that he would like to hear from the VP Programs. He stated
857 that the Programs Committee should present some kind of a plan for the General Meeting.
858

859 The VP Programs stated that other obligations had kept him from being able to give
860 Programs much attention. He stated that he would have a plan to present to the Board at
861 the next Board of Directors Meeting. Mike Novominsky stated that by waiting until next
862 month the Programs Committee had effectively decided not to have an October,
863 November or December General Meeting. He stated that It takes two months to get
864 anything in the magazine. Ray Morris said that there had been several moves to kill the
865 General Meeting and asked if this was another one of those. Robert Gunn stated that we
866 are required by the bylaws to have at least two General Meeting a year. The VP
867 Programs asked the Programs Committee chair to verbally present the plan to the BoD.
868 The Programs Committee chair stated that the plan that would be presented to the BoD
869 was to go to a quarterly General Meeting with the next planned General Meeting being
870 the January Business Meeting which would be held on January 20th at Headquarters.
871

872 Wes Leggett moved to adjourn
873

874 The September 7, 2000 Board of Directors Meeting adjourned at 8:47pm.

Respectfully Submitted,

--

Anne Sipes
Recording Secretary

Agenda Attachment 4

Houston Area League of PC Users, Inc.
President's Report to the Board
5 October, 2000

III. HAL-PC sponsored a new logo design contest. The winner is Ron Jackson, a long-time Hal member who you may remember as the big winner of the HAL-sponsored web design contest a few years back. The winning design is attached.

IV. Tim Kraemer resigned from the HAL-PC Board of Directors effective October 4, 2000. A copy of his resignation announcement is attached. His replacement will be elected at this meeting.

Robert E. Gunn
President, HAL-PC

Agenda Attachment 2

HAL-PC Treasurer's Report for September 2000

Operations over the past month resulted in a net gain for HAL-PC. Our cash flow, as reflected by the balance in our Bank of America account supports this. We began August with a balance of \$68,310.70 and had an ending balance of \$112,605.70. Deposits were 160,749.99 and withdrawals were \$116,454.99. As of September 22, 2000 HAL-PC had a balance of \$94,304.25 in this account.

We have yet to need access to the trust funds to support our daily operations. The balance in the HAL-PC Endowment Fund of The Greater Houston Community Foundation is 752,924.73 as of the statement dated June 30, 2000. HAL-PC has made no contributions to or accepted any grants from this fund since the June 30th statement was issued.

The Prudential Securities Account has a balance of \$1,947.52 and has had no activity for the past month.

This month, bookkeeping responsibilities were reassigned with the goal of doing a more timely and thorough job. We also expect the resulting records to be more useful and less costly to produce. As a result of this, there has been considerable effort devoted to learning how to use Business Works, our accounting program, but we feel this was necessary and for the long term good of HAL-PC's operations.

The budget for the current fiscal year has yet to be entered into the accounting system as we are still learning about this portion of the accounting system. It is my impression that, at present, all departments are within their projected spending limits.

We are continuing to focus on cost saving measures in the short term even with the ongoing goal of membership growth. By husbanding our resources we will be able to provide more of those services that are of value to the majority of the membership.

Respectfully submitted,

Wesley L. Leggett

Agenda Attachment 3

Member Services Report 8/29/2000

For the month of August Member Services brought in \$327.00 from sales of software that is currently listed on the web site. On June 17, 2000 Member Services implemented this program and has brought in a total of \$942.00. Once a new logo has been accepted Member Services will look into purchasing other products such as Shirts, Mugs, etc.

William A. Goetschius

Agenda Attachment 5

-Report of the Vice-President of Communications-

INTERNET:

Currently HALNet is hosting 8,059 accounts. There continues to be slow but steady growth in the number of ADSL users connected. A total of 10 ADSL users were added in the month of September. As the 12-month anniversary of a large number of users' contracts with Southwestern Bell Internet Services begins to approach, a higher rate of growth is expected.

As part of our ongoing effort to increase the visibility of HAL-PC and HALNet in the Houston Community, through the formation of strategic partnerships with other community organizations, we have begun providing ADSL Internet Connectivity to the Sam Houston Area Headquarters of the Boy Scouts of America. One goal of this relationship is to achieve promotion of HAL-PC and HALNet to the many Scouting families in the area.

MAGAZINE:

I am advised by the Magazine Publisher, Meredith Foster, that many compliments have been received regarding the October issue of The Magazine, especially regarding the digital camera reviews.

If all goes as planned, The Magazine will be seeing a number of new advertisers in the November issue, including a new back cover advertiser.

ADVERTISING:

As one of the best advertisements for HAL-PC and HALNet are our many satisfied member-subscribers, we now have "in the works" a program to empower and reward our existing users for their efforts in bringing in new member-subscribers. This approach has the advantage of costing us little or nothing.

Respectfully submitted,

Jay Thomas
VP-Communications