

DAUPHIN ISLAND PROPERTY OWNERS ASSOCIATION  
 BOARD OF DIRECTORS MEETING August 21, 2010  
 Dauphin Island Town Hall

## PRESENT:

Bruce Jones  
 Jay Minus  
 Stan Graves  
 Charles Gaba  
 Jack Gaines  
 Mike Rogers  
 Robin Linn  
 Bruce Thompson  
 Wes Williams

## ABSENT:

1. Bruce Jones called the meeting to order.
2. Bruce Jones established a quorum

Bruce Jones asked for a motion to approve the minutes of the July Board meeting, Charles made the motion, Robin seconded and motion carried. The minutes were approved with corrections.4  
 Treasurer's Report

BAY BANK:	July 20 2010	August 20, 2010
1) OPERATING ACCOUNT	\$ 25,604.13	\$ 17,300.65
2) TRUST CD	\$ 45,767.55	\$ 45,754.74
3) OPERATING ACCOUNT CD	\$ 34,173.55	\$ 23,492.39
WELLS FARGO		
1) OPERATING ACCOUNT	\$ 254,028.04	\$ 241888.40
2) TRUST	\$ 357,209.34	\$ 358680.00
3) WEST END BEACH	\$ 1,575.27	\$ 1,575.27
MERRIL LYNCH		
1) TRUST	\$ 1,390.00	\$ 1,389.00
GRAND TOTAL:	\$ 719,747.88	\$ 690,080.45
Net Change		(-\$29667.43)
Not paid (includes \$10,000		
Trust	\$404,365.89	\$405,823.74
Net Change		\$1457.85
DIPOA-HARTMAN TRUST		

1) FARGO	\$ 97,427.39	\$ 97,546.74
2) BAY BANK	\$ 240,090.74	\$ 240,871.10
3) COMMUNITY BANK	\$ 240,000.00	\$ 240,725.97
4) BANK CORP SOUTH	\$ 240,000.00	\$ 240,705.53
5) WOODLAND BANK	\$ 155,000.00	\$ 155,437.13
6) FRANKLIN SEC. C.U.	\$ 235,030.00	\$ 235,502.45
GRAND TOTAL:	\$ 1,207,548.13	\$ 1,210,813.90
Net Change:		\$ 3265.77

## 5.

- a) Bruce Thompson went over the financials
- b) Bruce noted that as CDs mature they will be moved from Wells Fargo to another bank. Most likely they will be moved to local banks and will be in amounts that will keep them fully insured by FDIC
- c) The trust account requires that the balance remain above \$400,000. It is presently above \$400,000.00.
- d) Bruce went over the Profit & Loss prepared by Boe Strange. He noted that revenues are down and income is not up. We are down approximately \$61,000 versus \$7,000 for same period (three months) last year. Reason is mainly related to the oil spill.
- e) Stan noted that we are still owed \$60,000 from State of Alabama for the Corp Settlement. This will go into the Hartman Trust Fund. Stan requested interest since the payment is past due.
- f) Jay asked about a past insurance claim and the status of reimbursement of lawyer fees.....Bruce said that the insurance company had denied the claim.
- g) Someone from the audience questioned the natural gas royalties...Stan stated that in 2006 royalties were about \$220,000 and today they are around \$50,000.00. Jeff said that a lot of the wells are having maintenance done further reducing revenue from royalties.

## 6. Golf Course Report by Mayor Jeff Collier

Rounds are down over 600 from same period last year. Mayor Collier said some old equipment was sold for cash. He said that the course condition is the better now than it has been all summer. He has requested funds from BP through Gulf Shores Tourism office to have some golf tournaments. The tournaments would use local vendors for food and prizes.

## 7. Committee Reports

## A. Architectural

1. One dock and boat lift submitted. Not much going on in regards to construction.

## B. Clubhouse Facility/Volunteer –

Mike noted that we are going to try to get the grounds and clubhouse in shape for snowbirds and for next season. Bruce recommended setting at date for a work party. Bruce will help facilitate this.

## C. POA/Town Shoreline Restoration

Bruce talked to Scott Douglass and Karen Reid and he felt like Scott was ahead of schedule and should be complete with the engineered beach plan by the end of the year, he is working on Phase III. Still no funding source has been identified. He said the emergency request that was submitted was a good dry run that provided him with some of the obstacles that would come up in a future submission. Stan asked “what is Phase III of the plan?” Bruce said it is the West end portion of the work. Stan asked what the schedule was. Bruce said that “ahead of schedule” was his own interpretation of where Scott was with the plan. Basically if a funding source is found then the plan will be ready this year. Mayor Collier said the Town has been seeking funding from a lot of different sources. He said there will be a public forum at the appropriate time to see how to move forward...this will happen when funding is in

place. Bruce said Scott Douglass has a link on the Town's website that provides updated information on the shoreline restoration. Ann Greer Tiffin pointed out that DIPOA represents all the property owners on the island and some of their concerns are different than the general public's concerns. Another member in attendance said we need an environmental fee (toll) for visitors.

## 8. Old Business

- A. Bruce stated that Charles Gaba and Robin Linn have developed a Business plan to work for the interim period (2010 – 2012) until we can implement long range plans. Charles said to his knowledge there has never been a business plan for running the Isle Dauphine. Charles says the plan is a working document that he, Robin, Mayor Collier and Tom Howes have developed, it will be monitored and adjusted as time goes on. Charles said we will not be in the black this year unless we get a settlement from BP for lost revenue. Under this plan, Jeff Collier will be the General Manager for the Isle Dauphine...instead of being the Golf Pro and the greens superintendent. Charles said Jeff would still remain as golf professional. We will have to have more employees but we will have new revenue streams. \$25,000.00 has been included for upgrading the swimming pool. This needs to be done by Easter/Spring Break. There has been a ladies group that has been handling the improvements around the pool. They will try to raise money to help the cause. After Fae closes in September the Grill will close until January. Fae will sell us some equipment to help us get started. The 2010/2011 budget shows a deficit of \$123,930. The 2011/2012 budget shows a profit of \$44,080. Charles encouraged the members to use our facilities when we start this plan. The plan counts on members paying their dues. He recommends that we have mandatory dues and is recommending that we have a change to our constitution to allow this. Golf Memberships will also be a part of this business plan.

Someone from the audience asked if the dues were mandatory and that basically there was no way to enforce the mandatory requirement. Bruce said that dues had been declared mandatory but that requirement has not been enforced. There is a movement afoot to change the POA constitution to make dues mandatory and make it enforceable. A change to make the dues mandatory will require an amendment to the Constitution which will require POA membership approval.

Charles talked about some of the projections for events and stated that all of the business plan is conservative in regards to projected events, profits, etc...Charles commented that the budget depends on the membership to pay dues..

Mike Rogers thanked the Business Plan committee for the great plan. Mike expressed concern that the plans budget does not go far enough to address improvements. Someone in the audience expressed concern that golf once again is the main focus of the budget. She wanted the board to acknowledge that the board would be committed to improving other asset, such as the pool, besides the golf course. Charles Gaba confirmed that the Board is committed to the pool and other projects.

Stan Graves said the plan lacks the details necessary to be a true business plan. A lot of transition strategy has to be done to make this work. He also stated that there are no contingencies if the Master Plan does not occur and the issue of closing the golf course was not addressed.

A motion was made by Charles Gaba to accept the Business Plan and the budget included in the plan, Robin seconded the motion. Stan and Mike were in opposition all others were in favor. The motion passed.

- B. Boe Strange has not yet provided us with the specifications (agreed upon procedures" for a review of our books. When we get that we can ask for quotes from accountants. There was a lot of discussion. Some in the audience do not want to spend the money.
- C. The projected lost revenue to date due to the oil spill is at a minimum \$80,000.
- D. Membership List Project – Bruce and Mike are working on the list and it is a good process. It is a comprehensive review of our member list.
- E. Bruce discussed the Deed Restriction....The deed says that Isle Dauphine "is for the private use of the Property Owners". It is time to change that because we are trying to get public funds. He thinks that the Mobile Chamber can write us a new deed that would remove the restriction. He said we might want to call for a vote of the membership prior to asking the Chamber to change the deed. Bruce stated this change would not affect ownership; allows public use. Mike made a motion that the deed change language be change to remove the language "for the exclusive use of the members" so that there would be no question about the public use of the Isle Dauphine property. Charles?? Seconded the motion. The Motion passed.
- F. Stan talked about the Mission Statement and Questionnaire that he has prepared. He would like the board to approve sending it to the membership. We will have a workshop to get this finalized.
- G. Mike Went over the Master plan that was sent to Dept. of Conservation and ADEM at the request of Governor Riley. The various components of the project including Audubon Golf Sanctuary, new destination pool, new lodging, new golf pro shop, renovation of existing buildings, new Tennis complex and a 3 year marketing program were all discussed. He discussed meetings and discussions that he had with some Town Council members and Bruce Henderson of Park and Beach Board about the possibility of working together on the Isle Dauphine as a component of the economic recovery of Dauphin Island.

Mike discussed the possibility of a new hotel on Dauphin Island with a U.S. Military component for retired and active duty personnel. The Town of Dauphin Island is pursuing this through the office of the Secretary of the Navy. Mike made a motion for the DIPOA to adopt resolution that states "The DIPOA fully supports the Town of Dauphin in its effort to get a hotel on Dauphin Island and will provide any help within its capabilities for this much needed and worthy project". The motion was seconded by Jay Minus. The motion passed. Note-subsequent to the meeting the wording of this resolution was modified with board consent to read as follows: *"Be it resolved: The DIPOA fully and enthusiastically supports the Town of Dauphin Island in its effort to obtain a hotel on Dauphin Island and will provide any help within its capabilities for this much needed and worthy project. In addition, DIPOA urges Secretary of the Navy Ray Mabus to do everything necessary to convince the Department of Defense to enter into a public-private partnership with the Town of Dauphin Island to finance, construct, and operate the hotel."*

- H. Robin made a motion to change the constitution to make dues mandatory and to include in the language a hardship provision, Jay Minus seconded. The motion passed. Bruce is working with the DIPOA attorney Cliff Brady on this matter.

9. New Business  
no new business.

10. Next meeting : Thursday September 23, 6:00 pm. Place of meeting TBD

11. Bruce Jones declared the meeting to be adjourned.

Minutes Prepared by :

Mike Rogers - Secretary