

DAUPHIN ISLAND PROPERTY OWNERS ASSOCIATION
 BOARD OF DIRECTORS MEETING October 23, 2010
 Dauphin Island Town Hall

PRESENT:

Bruce Jones
 Stan Graves
 Robin Linn
 Bruce Thompson
 Jack Gaines
 Jay Minus

ABSENT:

Charles Gaba
 Wes Williams
 Mike Rogers

1. President called the meeting to order at 11:00AM
2. President established a quorum
3. Approval of Sept 23, 2010 minutes. Oct 18 version of the minutes was unanimously approved
4. Treasurer's Report. Following report was presented:

BAY BANK:	Sept 22, 2010	Oct 22,2010
1) OPERATING ACCOUNT	\$ 45,262.63	119,541.56
2) TRUST CD	\$ 46,021.63	46,019.66
3) OPERATING ACCOUNT CD	\$ 23,503.89	23,522.55
WELLS FARGO		
1) OPERATING ACCOUNT	\$ 232,413.09	232,340.60
2) TRUST	\$ 360,046.09	361,632.90
3) WEST END BEACH	\$1575.33	1,575.36
MERRIL LYNCH		
1) TRUST	\$ 1,389.00	1,389.00
GRAND TOTAL:	\$ 710,211.66	786,021.63
Net Change		+75,709.97
Trust Total	407,456.72	409,041.56
DIPOA-HARTMAN TRUST		
1) WELLS FARGO	\$ 97,500.89	97,437.96
2) BAY BANK	\$ 240,833.88	241,114.21

3) COMMUNITY BANK	\$ 240,588.58	240,902.56
4) BANK CORP SOUTH	\$ 240,862.74	241,105.97
5) OZARK BANK	\$ 155,437.13	215,610.45
6) FAMILY SECURITY C.U.	\$ 235,486.81	236,093.19
7) FAMILY SECURITY SAVINGS	25.00	25.00
GRAND TOTAL:	\$ 1,210,710.03	1,272,289.34

It was noted that the remaining \$60,000 from the COE lawsuit settlement has now been received and has been added to the POA-Hartman Trust. Also, an \$84,500 claim payment has been received from BP and is included in the operating account.

5. Financial Statements Oct 2010. Revenues continue to be down from prior years owing primarily to the loss of golf revenue because of the oil crisis; however some improvement is evident this month. FYTD 2010 revenues are down around \$60,000 from FYTD 2009. While expenses are also down (around \$35,000) net income is around negative \$80,000 FYTD. The application of the BP claims payment will slightly more than offset the income loss so that we should show a positive ordinary income next month. Golf revenue is improving owing largely to the tournaments that have been made possible through a \$20,000 grant from the AGCC&VB. Net income was around \$13,000 over budget for September.

6. Operations Report. General Manager Jeff Collier reported on operations. Highlights: BP lease of the main building is currently extended thru 20 Dec2010. BP will restore the building to its prior lease state unless certain improvements are allowed by the POA to remain in place. The POA has applied for a liquor license as we plan to operate the grill and bar directly. Discussion included concern about liability and explanation that sufficient insurance would be put in place. Golf rounds are up from last year owing to the tournaments and it was reported that 70% of the participants were from off the island. Plans are underway to secure a replacement for the discontinued BCBS Group Plan 350. Also, POA is seeking proposals from multiple insurance agents for all of our coverages to assure that we are receiving the best policy for the best price.

7. Committee Reports

- A. Architectural—no significant activity. Two pool plans approved.
- B. Clubhouse Facility/Volunteer—Mike R absent so no full report given. Unsightly cooking oil receptacle was removed.
- C. POA/Town Shoreline Restoration. Bruce J reported no new information. Critical component is funding.

8. Old Business

- A. Audit/Financial Review. At the suggestion of board member Stan Graves this item was deferred because several board members were absent. It will be discussed and hopefully decided at or before the next meeting. A question was raised as to the total amount of legal expenses incurred by the POA in defending the West Surf Beach lawsuit. A statement of these fees paid will be prepared and provided in the near future.
- B. Claims for Lost Revenue. POA has received payment of \$84,500 for our first claim submittal which covered losses through July 21010. Claims for subsequent months are being prepared.
- C. Clubhouse Leases. Covered earlier.
- D. Status of items being prepared for membership vote (Deed restriction removal, mandatory dues, utility easement exception). The deed restriction removal was again discussed and its intent and desired effect clarified. It was asked if the reason for pursuing the removal of the deed restriction was to allow the military reservation

system hotel to be built on POA property—it was answered no, this is not the reason. (Note: for a full explanation of the rationale for removing the restriction see the Sept 2010 minute and the Sept/Oct newsletter) It was reported that counsel has opined that it would be inadvisable for the POA to pursue attaching property via a lien to enforce mandatory dues, but rather a provision to require dues payment as a condition of membership—including the right to vote—is possible. Discussion of dues included questions as to why dues income is necessary and as to whether the board has a plan to raise the dues amount. It was observed that the business plan contains a recommendation to make dues mandatory and raise them. It was explained that while there is a recommendation in the business plan to make dues mandatory and to increase the amount paid per member, there is no approved plan in place to do either. More research and discussion will be required prior to any decision.

- E. Pool Repair Project. Bids are being received and reviewed. The ad hoc committee of Jones, Gaba, and Rogers will make a recommendation to the whole board in the near future.
- F. Status of Workshop. Discussion of this item was deferred until the full board is present or able to have direct input.
- G. Membership List, Email list, New Member Information Issues. Goal is to have up to date list with every member's DI address, mailing address, contact info, dues status, etc in place before next mailing. In response to concerns that our email list is not complete and that we aren't reaching new property owners in a timely manner, it was explained that the new system when installed and debugged will enable us to do both of these items much more completely.
- H. Items not on agenda. Board member Graves asked that two items be added to the agenda: The military reservation system hotel and the POA's application for a liquor license. Concerns and questions around the hotel were voiced and most were reflective of the lack of available information as to the specific plans for the facility, including location, ownership, etc. It was explained that those details simply don't yet exist and that we are at this point simply seeking to get support for the project somewhere on DI. Concerns were expressed that the holding of a liquor license directly by the POA would increase our liability to an unacceptable level. It was explained that the POA has held such license in the past and that the liability was managed through proper insurance and management diligence. We are currently acquiring insurance proposals reflecting the change in this status. Some concern was expressed that the members might be individually liable –this will be researched and clarified.

9. New Business

- A. Proposal for Expenditure Approval Procedures. At the request of board member Graves this item was deferred until all members are present.
- B. West Bay and Gulf Coast Tourism Development Council. It was reported that the new council was recently formed in order to provide a regional perspective to tourism issues and to better position DI to gain recovery funding from various sources. POA president Jones is a member of the board of directors and it is anticipated that future POA presidents will be asked to serve in a similar way. Other members of the POA board will serve on the WBGCTDC advisory committee.
- C. DIPOA Online Discussion Forum. This is being developed and moderated by member Laura Martin. It will provide an opportunity for members to exchange information and viewpoints—and will allow for input to proposals including “straw polls”. More information regarding how to participate will be forthcoming.

10. Next meeting: Wed, November 17, 2010, 6:00 PM. Shelby Building (Place of meeting subject to change)

11. Meeting adjourned at ~ 1:00 PM

Minutes Prepared by: Robin Linn and Bruce Jones –acting secretaries