

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

## PRESENT:

Bruce Jones  
 Stan Graves  
 Charles Gabi  
 Robin Linn  
 Bruce Thompson

## ABSENT:

Jay Minus  
 Jack Gaines  
 Wes Williams  
 Mike Rogers

1. Bruce Jones called the meeting to order at 6:05 PM
2. Bruce Jones established a quorum
3. Approval of August 21, 2010 minutes. Bruce Jones asked for a motion to approve the minutes of the July Board meeting. Motion was made and seconded and the minutes were approved with this change: the final wording of the hotel support resolution was added to the August minutes. Final wording: *“ 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.”*
4. Treasurer’s Report. Bruce Thompson presented the treasurer’s report with cash balances as follows:

BAY BANK:	August 20, 2010	Sept 22, 2010
1) OPERATING ACCOUNT	\$ 17,300.65	\$45,262.63
2) TRUST CD	\$ 45,754.74	\$46,021.63
3) OPERATING ACCOUNT CD	\$ 23,492.39	\$ 23,503.89
WELLS FARGO		
1) OPERATING ACCOUNT	\$ 241888.40	\$ 232,413.09
2) TRUST	\$ 358680.00	\$360,046.09
3) WEST END BEACH	\$ 1,575.27	\$1575.33
MERRIL LYNCH		
1) TRUST	\$ 1,389.00	\$1,389.00
GRAND TOTAL:	\$ 690,080.45	\$ 710,211.66
Net Change		+ \$20,131.21

Trust Total	\$405,823.74	\$407,456.72
Net Change		+ \$1,632.98
DIPOA-HARTMAN TRUST		
1) FARGO	\$ 97,546.74	\$97,500.89
2) BAY BANK	\$ 240,871	\$ 240,833.88
3) COMMUNITY BANK	\$ 240,725.97	\$240,588.58
4) BANK CORP SOUTH	\$ 240,705.53	\$240,862.74
5) OZARK BANK	\$ 155,437.13	\$155,437.13
6) FRANKLIN SEC. C.U.	\$ 235,502.45	\$235,486.81
GRAND TOTAL:	\$ 1,210,813.90	\$1,210,710.03
Net Change:		- \$103.87

It was noted that the remaining \$60,000 from the COE lawsuit settlement has now been received and that it will be added to the POA-Hartman Trust amounts next month.

5. Financial Statements Aug 2010. Bruce J discussed the August financial reports. Revenues continue to be down from prior years owing primarily to the loss of golf revenue because of the oil crisis. FYTD 2010 revenues are down around \$84,000 from FYTD 2009. While expenses are also down (around \$23,000) net income is around negative \$80,000 FYTD. It was mentioned that we have filed claims with BP for income loss and that much of our deficit will potentially be offset. Other discussion included Q&A about how we allocate general receipts (such as dues, royalty payments, etc) to the various components of our operation (golf, pool, clubhouse, etc.) It was reported that we at present don't have a sound allocation methodology but that we will create one as we implement the business plan develop P/L's for each segment of the business. The actual/budget comparison was also distributed and discussed. FYTD revenue is around \$50,000 under the budgeted amount, expenses \$1500 over, and net income around \$50,000 under budget.

6. Operations Report. General Manager Jeff Collier reported on operations. Highlights: Flamingo Fae's operation has closed—plans are to open the grill, pool, and bar under direct management by the POA. Liquor license and other preparations are underway. The tax effect of having active operational income was discussed and Bruce J reported that it is not a threat to our 501c (4) status as long as it is not excessive, and that it is properly reported. BP has renewed the lease of the main building thru 20Nov 2010. Golf rounds are significantly down as has been discussed, but efforts are underway to increase play—165 snowbird letters have gone out with a request that the recipients share the information with others, two tournaments are planned, and other specials are being considered. Course is in good shape despite the lack of rain. Course is now open Wednesday thru Sunday. Pool repairs are planned.

#### 7. Committee Reports

- A. Architectural—no significant activity
- B. Clubhouse Facility/Volunteer –Mike R absent so no full report given. Bruce J recognized Charles G for his involvement in several projects and issues pertaining to the clubhouse facilities.
- C. POA/Town Shoreline Restoration. Bruce J reported that Scott Douglass has completed the phase one report and that it was presented at the recent Town meeting. The report covers the east end phase, is 884 pages and can be reviewed at Town Hall. It would cover up to 160 ft of additional beachfront with 823,00 cubic yards of sand. The cost would be \$8.8 million with a ten year maintenance cost of \$13.2 million.

- D. General. Bruce J thanked the informal pool committee for their input, etc and mentioned that we will consider adding some additional committees for various functions and will involve more members/volunteers.

## 8. Old Business

- A. Audit/Financial Review. Bruce J reviewed the past discussion/deliberation concerning this issue and reported that we have two options to consider. One involves a proposal from the CPA firm Wilkins Miller Hieronymus to do a full review of last year for a fee of \$4,000--\$6,000. The other involves Boe Strange doing a targeted review for a fee of \$190/hr and requires the board to specify exactly what would be examined. A motion was made and seconded to do the target review not to exceed \$2000. Bruce J will draft a list of targeted areas and send to the board for review. When consensus is reached we will forward the target to Boe and start the review. The board may chose to authorize additional expenditure depending upon what is initially revealed. The motion passed with four yea votes ( Jones, Graves, Thompson, Linn) and one nay (Gaba) Discussion among the membership included one member who objected to any expenditure for audit/review; one who opined that we should do a full review, not targeted; and one member who opined that we should not have the same firm that does our reports and tax filings also do the review. Discussion among the board included Stan G's suggestion that the review cover the last three years and include particular attention to legal expenditures and the possible effect on our 501(c)4 status.
- B. Claims for Lost Revenue. Covered earlier.
- C. Clubhouse Leases. Covered earlier.
- D. Membership List Project. Bruce J gave a brief status report on the list project (headed by Mike R). 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.
- E. Resolution in Support of "military reservation" hotel on DI. Covered earlier
- F. Status of items being prepared for membership vote (Deed restriction removal, mandatory dues, utility easement exception). These items are being prepared by counsel and will be considered and finalized by the board in preparation for further action. Discussion involved clarifying for the members exactly what the deed restriction would accomplish. It was explained that the present deed language restricts the use of the facility to "members only" which is in conflict with the way we've operated for 30+ years and intend to continue to operate. Change would simply remove the "members only" requirement but not change the ownership, control etc. Re mandatory dues, discussion involved questions about how to enforce. It was explained that the business plan highlighted the need for a more reliable income stream fro dues and that we would look into ways for enforcement but are hoping drastic measures will not have to be used. These changes will involve constitutional amendments and will be voted on at the annual meeting or a scheduled election for that purpose. Bruce J also reported on the latest effort to generate more dues payments by inviting members to suggest how their payments be used. 80 members returned preference forms and the leading category for targeted expense was the POA beach.

## 9. New Business

A. Pool Repair Project. We have three bids for relining the pool, replacing the ceramic tile perimeter, and repairing the filtration/skimming feature. A motion was made and seconded to have Mike R acquire an additional bid from Cox pools and for Mike R, Chas G, and Bruce J to decide which bid to accept and forward to the full board for final approval. The motion passed unanimously by those directors present. Discussion included the need to replace the furniture around the pool, and the timing of the project (project to begin in approx 4 weeks and be completed prior to possible freeze.

B. Items not on agenda. 1) Stan G requested that we schedule our workshop (to discuss/work out

details of constitutional amendments, discuss masterplan, further discuss business plan, work on mission statement) to be completed prior to next meeting. Bruce J agreed to do so if possible.2) We agreed to post the masterplan and hotel resolution on the website 3) Stan G will draft a proposal for expenditure approval guidelines to be considered and acted upon at the next meeting.

10. Next meeting: Saturday October 23, 11:0 AM. Shelby Building (Place of meeting subject to change)

11. Bruce Jones declared the meeting to be adjourned at ~ 8:00 PM

Minutes Prepared by: Robin Linn and Bruce –acting secretaries