

DIAMONHEAD PROPERTY OWNERS ASSOCIATION SEMI-ANNUAL MEMBERSHIP MEETING

Friday, March 21, 2014

Call to Order – Vice-President J. Yarbrough called the meeting to order at 6:00pm in the Diamondhead Community Center in accordance with the Bylaws, Sections 5.5 and 5.7.

Roll - Board members present: V. President J. Yarbrough, Treasurer B. Marshall, Secretary N. Sislow and Directors K. Johnson, J. Menker, J. Peppenger, C. Perry, and Ex-Officio M. Feola. Absent: President M. Kyger, Director D. Crosby. Also present: GM S. Irwin, M. Boyd, K. Allen, D. Kinchen, and K. Bakken. Approximately 33 members were present.

Minutes - N. Sislow reported the minutes from the February 6, 2014 meeting were approved by e-mail, allowing for the minutes to be posted and in print prior to this meeting.

Opening Remarks/Updates – Vice-President Yarbrough reviewed the recent actions taken by the Board to implement several of the capital expenditures budgeted for 2014.

1. Diamondhead Swim and Racket Club building - A motion was made by J. Menker and seconded by K. Johnson to ratify the agreement with L. Watters for completion of DHSRC. The motion carried with J. Yarbrough, B. Marshall, N. Sislow, D. Crosby, K. Johnson, J. Menker, J. Peppenger, and C. Perry voting for the motion. M. Feola abstained.

2. Golf Course renovation - A motion was made by D. Crosby and seconded by C. Perry to approve \$250K for year 3 of 5 year plan to complete work scheduled on the front nine holes of the Cardinal course. The motion carried with J. Yarbrough, B. Marshall, N. Sislow, D. Crosby, K. Johnson, J. Menker, J. Peppenger, C. Perry and M. Feola voting for the motion.

3. Golf course and maintenance paving - A motion was made by J. Menker and seconded by D. Crosby to approve the amount not to exceed \$87,500 for paving the cart path of the front nine of the Cardinal course and golf maintenance lot. The motion carried with J. Yarbrough, B. Marshall, N. Sislow, D. Crosby, K. Johnson, J. Menker, J. Peppenger, C. Perry and M. Feola voting for the motion.

4. Floating dock/Pier 4 - A motion was made by J. Menker and seconded by J. Peppenger to accept the Superior bid for Pier 4, not to exceed \$145.5K. The motion passed with J. Yarbrough, B. Marshall, N. Sislow, D. Crosby, K. Johnson, J. Menker, J. Peppenger, C. Perry and M. Feola voting for the motion.

5. Clubhouse roof replacement - A motion was made by J. Peppenger and seconded by K. Johnson to accept the Jassby bid for total shingle replacement for not to exceed \$135K starting in May. The motion carried with J. Yarbrough, B. Marshall, N. Sislow, D. Crosby, K. Johnson, J. Menker, J. Peppenger, C. Perry and M. Feola voting for the motion.

6. Kitchen expenditures - A motion was made by N. Sislow and seconded by M. Feola to allocate not to exceed funds of \$16K for a convection oven/double steamer to replace one that is not functional. The motion carried with J. Yarbrough, B. Marshall, N. Sislow, D. Crosby, K. Johnson, J. Menker, J. Peppenger, C. Perry and M. Feola voting for the motion.

7. Copier lease - A motion was made by M. Feola and seconded by J. Peppenger to approve the lease offered by Applied Business Concepts. The motion carried with J. Yarbrough, B. Marshall, N. Sislow, D. Crosby, K. Johnson, J. Menker, J. Peppenger, C. Perry and M. Feola voting for the motion.

Vice-President Yarbrough also commented on the recent PGA qualifiers who used the golf course and gave kudos for the excellent conditions that were available.

General Manager Report – S. Irwin provided a full report that was printed in the Diamondhead News.

Financial Report - K. Allen gave the January 2014 financial report that was printed in the Diamondhead News.

New Business – A motion was made by M Feola and seconded by J. Menker to announce an open meeting within 30 days for the purpose of presenting a detailed Power Point presentation of the East Rec plans which should include buildings, grounds and estimated costs both initial and yearly. This presentation must be made before any contracts for construction are issues, allowing members to voice approval or disapproval. The motion carried with J. Yarbrough, B. Marshall, N. Sislow, K. Johnson, J. Menker, J. Peppenger, C. Perry and M. Feola voting for the motion.

Member Questions –

1. *Golf Membership decline* – J. Yarbrough pointed out that despite membership decline, there is more play by non-members since the course conditions have improved
2. *Impact of allocation to capital improvements* – K. Allen explained the allocation of dues for reserves, capital, and contingency needs.
3. *Financial improvement and management contract* – J. Yarbrough explained that contract included bonuses for performance measures that had been met, including golf improvements
4. *Town Hall meeting and project pro forma* – J. Yarbrough stated no financial data available at present and meetings will be scheduled when information available.
5. *ROI on new projects* – J. Yarbrough explained that golf academy meeting expectations, Harbor House lease is generating funds and business plan for East Rec (DHSRC) is in progress.
6. *Budget savings to members* – J. Yarbrough reported that once capital projects that are mandated are complete, then dues amount will be evaluated.
7. *Posting of March minutes* – N. Sislow verified that minutes approved by the 15th of the month will be posted in the following month's Diamondhead News.
8. *Need for DHSRC* – J. Yarbrough noted that tennis center is needed, that it will benefit youth, pool users, tennis, and that members have been involved, a business plan has been drafted and a town meeting will be held to discuss.
9. *ACLU injunction and signs for POA election* – J. Yarbrough responded that the current covenants will be followed.
10. *Tennis World finances and maintenance* – J. Yarbrough invited members to discuss financial questions with staff at POA offices.
11. *Dues for those who do not use amenities* – J. Yarbrough explained that property owners own the POA which is governed by covenants/By-Laws, changes are approved through membership vote and the Board is an opportunity for members to participate.
12. *Time of POA meetings* – J. Yarbrough explained that Biannual Membership Meetings have to be held according to By-Laws, but that the Board can set the time of monthly meetings.
13. *Current Board policy on signs for election* – J. Yarbrough responded that the Board follows the By-Laws and rules and regulations of the POA.
14. *How to know who is running for Board positions* – J. Yarbrough explained the process of names in paper and signs on Election Day.

Drawing – 5 members received two tickets for The Diamonds performance in a free drawing.

Adjournment - A motion to adjourn was made by J. Peppenger and seconded by C. Perry. The motion passed unanimously. Meeting adjourned at 6:45pm.

Respectfully submitted,

Nancy Sislow, Secretary
Diamondhead Property Owners Association