

**DPOA Open Board Meeting
6 January 2008**

President Mario Feola called the meeting to order at 3:04 PM in the Diamondhead Country Club in accordance with the Bylaws Sections 5.5 and 5.7.

Board Members present: President Feola, Vice President Jim Hunt, Secretary Nicole Boisdore', Treasurer Gordon Walker. Directors: Don Crosby, Durell Pellegrin, Bert Schnadelbach and John Yarbrough, and Gerald Ward. Ex-Officio: Don Kraemer

Absent: Director Stewart Nutting

Meeting minutes of 2 December 2008 unanimously approved by the Board of Directors via email.

General Managers Report: Mr. John Enxing (the GM's report is published in its entirety and unedited)

Department Updates: Below are updates since the December board meeting.

Tennis: *Waiting on a cost from Water & Sewer for the hook up on the portable showers.*

Golf Course Maintenance: *Tree pruning on both courses. Keeping the color flag system. Jimmy attending GCSAA in New Orleans for Continuing Education and trade show.*

Marina: *Boat ramp is closed from Jan 5 to Feb 15th for re-construction.*

Country Club: *Met with Buddy on profit / loss of the 19th hole and readjust the hours of operations. January banquet bookings \$44,468 and February banquet bookings \$25,939*

Facilities: *Old 19th hole 50% completed. Projected completion date is end of January 09 and within budget. Golf Shop: Players Pass Cards are in and sold 3 cards. Marketing in the Diamondhead News. Ghinn handicap system is up and running and handicap fee is included in annual dues. Color code tags will be implemented to regulate paying play. Discussing with Hoppy a golf cart weight & measures standard for golf course usage.*

Financial Report: Treasurer Gordon Walker:

Walker referred the board to the plethora of financial reports published in the January issue of the DH News. More reporting means more transparency, which then leads to more questions. Walker encouraged all board members to relay to POA members that he and or our comptroller are available to help with these questions. Walker also reported that based on the August Financials, we anticipated ending the year 2008 1.4 million in the hole. It appears that that number will be less, once the year ends are done. He predicted around 1.2 instead. Walker also reported that the Corporation took in more money than it spent in November and December which is a very positive turnaround. Director Ward asked for an update on the inventory discrepancy in the Gulf Shop discovered by the current board on 21 June 2008. Walker stated that the investigation was closed at the end of September and will present report to the board.

November Financial Overview: Comptroller Pam Tomasovsky. (Published in its entirety and unedited)

*For the 11 months ending November 30, 2008, POA had an operating loss before depreciation of \$66,464. The operating profit for the month of November was \$159,013 before depreciation, which was an improvement over budget of \$67,199. Gross profit (total revenues, less cost of goods sold) was under budget by \$17,708 for the month. Operating expenses were under budget by \$84,907 for the month, as outlined below: **COUNTRY CLUB** operating loss of \$33,374 was \$15,852 below budget. Sales revenue of \$129,247 was \$2,125 over budget, and operating expenses were over budget by \$14,354 primarily due to increased labor costs and advertising/promotion expenses. The 19th Hole activity was rolled into the Country Club profit center beginning the month of October. **GOLF SHOP** operating profit of \$86,357 was better than*

*budget by \$11,585. Sales of \$118,968 were below budget by \$6,947. Operating expenses of \$24,043 were better than budget by \$10,331 due to savings in labor costs and printing supplies. **GOLF COURSE MAINTENANCE** operating expenses of \$81,179 were better than budget by \$44,395 primarily due to savings in fertilizer expense, chemical supplies and fuel costs. **RECREATION** operating loss of \$10,098 was in line with budget. **TENNIS** operating loss of \$1,152 was \$1,526 better than budget due to savings in labor costs. **MARINA** operating profit of \$2,056 was in line with budget. **FACILITIES MAINTENANCE** operating expenses of \$89,722 were better than budget by \$17,308 due to savings in labor costs, fuel, equipment & tools, repairs & maintenance and road repair materials. **MARKETING** operating expenses of \$4,056 were better than budget by \$1,475 due to under spending in corporate marketing. **ADMINISTRATION** operating loss of \$54,496 was better than budget by \$25,703. Revenues of \$50,443 were over budget by \$26,633 due to violation fees and cable franchise fees. Operating expenses of \$104,939 were in line with budget. Savings in labor and insurance were offset by spending for legal fees related to the incorporation. **MEMBERSHIP** operating profit of \$290,171 was below budget by \$10,664 due to an increase in the calculation for bad debt assessment. Currently, 51.3% of our accounts receivables are over 4 months in arrears. **AIRPORT** operating loss of \$288 was in line with budget. **ARCHITECTURAL & ENGINEERING** operating loss of \$4,597 was below budget by \$14,196 due to shortage in building permit revenue. **CAPITAL IMPROVEMENTS** operating income of \$94,020 was below budget by \$3,218. Capital assessment income was down by \$2,287 for the month and we incurred an expense of \$931 for sod. **SECURITY** operating expense of \$34,631 was \$5,453 better than budget due to savings in labor costs.*

Old Business:

- **Community Center Rate Changes:** Bobbi Ross, our Youth Director, has looked into increasing the rental rates in the Community Center. As previously reported in December, we have had issues with outside companies trying to rent the CC at the member rate by having the member reserve the space. This will not be allowed. Our rates are very low compared to other facilities. In July and August alone, \$5500.00 was spent on utilities while we only collected \$2700.00 in rental fees. Ms. Roy suggested that fees be increased to balance the expense of electricity in the Community Center and to potentially a source of revenue for the POA. There **WILL NOT** be a charge for POA members to use the card rooms for bridge games or the Community Center for member or DH club meetings. This does not include bringing in outside companies or speakers. **Boisdore' moved to adopt the proposed fee schedule. Yarbrough second. Discussion ensued.** Kraemer stated that he did not think the fee increase was appropriate.

At 4:00 Walker moved to adjourn the meeting, Boisdore's second. Motion passed unanimously. Meeting adjourned.

At 4:15 the board went into Executive Session.

At 5:00 the board came out of Executive Session.

**Respectfully submitted,
Nicole L. Boisdore'
DPOA Secretary**

