

**DPOA Open Board Meeting  
3 February 2009**

**President Mario Feola called the meeting to order at 3:03 PM at 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, Stewart Nutting Durell Pellegrin, and Gerald Ward. Ex-Officio: Don Kraemer

**Absent:** Directors: Bert Schnadelbach (proxy to Hunt) and John Yarbrough (proxy to Kraemer).

Meeting minutes of 6 January 2009 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 January board meeting.**

**Tennis:** *Waiting on a cost from Water & Sewer for the hook up on the portable showers. Court material has been ordered – 5 tons should be sufficient to maintain the courts for the year. Will need help from facilities maintenance for storage. Hancock High School has begun practice on our courts. They practice and play matches thru April when we are compensated \$250 for their usage.*

**Golf Course Maintenance:** *Tree pruning and stump removing on both courses. Creating a greens complex by mowing down the rough around the greens to offer players more types of shots (putting, bump and run, or flop shot). Jimmy attending GCSAA in New Orleans for Continuing Education and trade show Feb 2nd thru 6<sup>th</sup>. Short range plan is to place smooth cord grass around the 18<sup>th</sup> hole pond on the Pine to beautify and hide. New Flags are now on the golf course Red/Front - White/Middle – Gold/Back, we have also begun to install the new 150 yard markers. **Marina:** Marina fuel tanks fencing will be completed mid February. Boat ramp first phase completed and coffer dam removed. Should finish second phase by the end of February. Moving dirt to Southside medians for leveling and beginning of beautification project. Recent planning session with Pier House Project Coordinators and should begin work in early February as soon as permits are issued. **Country Club:** Reducing Hours of Operations for the 19<sup>th</sup> hole. If need be there will be management decision to remain open to host after banquets and or large crowds. CC is losing money with labor cost vs. point of sales with old hours. This will help reduce labor cost. Proposal new dance floor to be installed in the 19<sup>th</sup> hole and the ball room will be considered by the board as this is a non budgeted item. Installed non-skid floor epoxy paint for safety in the kitchen. A tech from CNO Intel came to check out our PA system. A few repairs to be made to include one new amplifier. **Facilities:** Old 19<sup>th</sup> Hole renovation finished and lease begins March 1, 2009. Unexpected overages for material and exceeded renovation budget by \$1167.32 (removal and replacing floors, shelving). **Golf Shop:** Golf Pro Shop article on alcoholic beverages not allowed on the Golf Course. Currently the Covenants read on page 22-23*

**“Members and guest are not permitted to bring food or beverages into the Country Club, Yacht Club, and Ship Store. Mississippi Alcoholic Beverage Commission laws prohibit anyone bringing alcoholic beverages into or taking alcoholic beverages from licensed premises. Such beverages will be confiscated. Our licensed premises include Country Club and grounds, Grill, Golf Courses, Yacht Club, Marina and Country Club pool”.**

**December Financial Overview: Comptroller Pam Tomasovsky.** (Published in its entirety and unedited)  
*The statements presented herewith may be subject to further adjustments in preparation for and as a result of the annual audit process .For the 12 months ending December 31, 2008, POA had an operating profit before depreciation of \$41,833. The operating profit for the month of December was \$108,291*

before depreciation, which was an improvement over budget of \$16,015. Gross profit (total revenues, less cost of goods sold) was under budget by \$1,280 for the month. Operating expenses were under budget by \$17,295 for the month, as outlined below: **COUNTRY CLUB** operating loss of \$23,742 was \$730 below budget. Sales revenue of \$137,417 was \$7,075 over budget, and operating expenses were over budget by \$10,176 primarily due to increases in labor costs and advertising/promotion expenses. The 19<sup>th</sup> Hole activity was rolled into the Country Club profit center beginning the month of October. **GOLF SHOP** operating profit of \$67,305 was better than budget by \$15,511. Sales of \$142,462 were better than budget by \$7,622. Operating expenses were better than budget by \$1,930 due to savings in hourly wages and electricity. **GOLF COURSE MAINTENANCE** operating expenses of \$99,336 was an improvement over budget by \$1,011. Expenses for debris removal and property taxes on leased equipment were offset by savings in chemical supplies and fuel costs. **RECREATION** operating loss of \$6,803 was in line with budget. **TENNIS** operating loss of \$1,259 was \$2,575 better than budget due to savings in labor costs and benefits. **MARINA** operating profit of \$1,267 was \$805 below budget. **FACILITIES MAINTENANCE** operating expenses of \$95,258 were below budget by \$8,425 due to savings in fuel and repairs & maintenance costs. **MARKETING** operating expenses of \$5,210 were over budget by \$1,014 due to increases in office supplies and travel expense. **ADMINISTRATION** operating loss of \$71,386 was an improvement over budget by \$7,663. Revenues of \$30,833 were over budget by \$7,024 due to violation fees and electric rebates. Operating expenses of \$102,219 were in line with budget. Savings in insurance costs were offset by spending for security lights and computer expense. **MEMBERSHIP** operating profit of \$300,358 was over budget by \$1,122. Income was over budget by \$2,670 due to an increase in consolidation fees and delinquency fees. Expenses were over budget by \$1,548 due to an increase in hourly wages and legal expense. **AIRPORT** operating loss of \$214 was in line with budget. **ARCHITECTURAL & ENGINEERING** operating loss of \$10,578 was worse than budget by \$20,177 due to a shortage in building permit revenue. **CAPITAL IMPROVEMENTS** operating income of \$94,933 was below budget by \$2,305. Capital assessment income was down for the month and we incurred no expenses. **SECURITY** operating expenses of \$41,786 were \$1,701 over budget due to an increase in hourly wages.

**Presidents Report: President Feola:** Feola reports that the Pier House construction start date is approximately 30 days behind schedule due to changes in the process of obtaining Building Permits through the county. Applications must now go through the Zoning and Planning Commission. We are also waiting on DWSD permit. Permit expected on 2/5/09, with foundation work to begin Monday 2/9/09. Feola reported that in January, your POA receives an influx of cash due to prepaid dues. Your POA has paid off the \$600,000 line of credit that was necessary to operate in 2008. In addition, the \$500,000 contingency fund has been replenished and deposited into a CD at 2% interest. Feola explained and congratulated the board and the staff for sound fiscal management and expressed hope that we will not have to use the line of credit in 2009.

#### **Old Business:**

- **Contract Review Report:** Director Crosby reported that he has reviewed the POA contracts for rentals on the pool pavilions, Twin Lakes, and the Community Center. Minor tweaking was necessary and no further legal review is recommended.

#### **New Business:**

- **Selection of Audit Firm:** Tomasovsky recommended changing audit firms this year. Piltz, Williams and LaRosa has been doing our audits for approximately 10 years. Normally it is good business practice to change audit firms every 4 years or so. She reported that she had received

3 proposals. The firm she chose to propose to the board is Culumber, Fletcher, Harvey and Associates, PA, Certified Public Accountants. Tomasovsky has worked with this firm in her past positions and considers them very efficient. Last year we paid approximately \$23,000 for our audit and \$3000 for our tax return. We have budgeted \$30,000 for 2009 to cover these fees. Culumber's proposal is \$17,500 for both audit and return. Several board members asked about scope of service including tests for proper inventory reporting, etc. This firm will provide the full spectrum of testing. **Walker moved to approve the hiring of Culumber. Hunt second. Motion passed unanimously.**

- **Request for use of the Circle for Arts and Crafts Show:** Dr. Phil Ramseyer, President of the DCE Board of Directors asked that the DCE be allowed to use the Circle in front of the Country Club for its annual Arts and Crafts Show. The event will be held Saturday, September 19<sup>th</sup> from 9:30-5:00 and Sunday from 10-4:00. Stay tuned for notice of closing of the parking lot in front of the Club. **Kraemer moved to accept the request. Boisdore' second. Motion passed unanimously.**

**At 3:45 Boisdore' moved to adjourn the meeting, Nutting second. Motion passed unanimously. Meeting adjourned.**

**At 4:00 the board went into Executive Session.**

**At 5:30 the board came out of Executive Session.**

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