

DPOA Board Meeting
5 May 2011
Diamondhead Community Center 4:30pm

President Marshall Kyger called the meeting to order at 4:30 PM in the Diamondhead Community Center in accordance with the Bylaws Sections 5.5 and 5.7.

Board Members present: President M. Kyger, V President J. Yarbrough, Treasurer B. Marshall and Secretary S. Palisi, Directors: J. Menker, D. Crosby D. Pellegrin, D.Hopes and J. Peppenger. Ex-Officio: Mario Feola, Absent: Director C. Perry.

Guest: General Manager Pam Tomasovsky and approximately 95 members.

The board approved the April minutes.

President Kyger announced that the golf course would be back open May 28, will be taking reservations beginning at 9am 12 days before.

General Manager Pam Tomasovsky gave a brief report for the month for each department. All pools open and life guards will be on duty starting May 28. The technology is being updated at the POA office and Daniel is leading this upgrade. Membership cards have been mailed to members in good standing. Tee times are now handled in the Pro Shop. Family golf day will be June 18, details will be forth coming. There will be a youth art camp starting June 1 and run throughout the summer. We will be participating in a weekly live call in talk show on radio station 1490 sports ESPN; will have Hoppy as talent each Tuesday 6-6:30pm, "Talking Shop with Hoppy Smith". Also, includes 30 commercials a week and representation on their website as well. We received rave reviews for our participation in the Rocking the Globe.

Greens Keeper Jimmy Shannon gave a brief regarding the greens and golf courses. The greens look very good. Sod work will be done within the next couple of weeks. The Pine green will be open on May 28. Treasurer B. Marshall asked about the numbers for the fertilization on the Pine. Shannon stated that was \$38,426 for this year on the Cardinal, on the Pine it is \$11,269.

The financials were published in last months Diamondhead News.

President Kyger did state that we would take questions at the end of the meeting. President Kyger discussed the items on the agenda for this meeting. The first item to be discussed is a non-binding Casino Resolution vote. This originated several weeks ago, Kyger was approached by a member that is not only pro casino but pro casino in a specific location because they have a personal position dependent on the outcome. The existing proposed resolution passed by the prior board which basically states that the Diamondhead Property Owners Association opposes rezoning platted lots. It basically says that we are opposed to looking at any proposal. Kyger stated that communities around the country have rezoned property when it has been proven that it is in the best interest of the communities. What does that mean to our covenants? Our covenants are tied to our property. President Kyger stated that he is going to propose the resolution today. Kyger also stated that we will look at any proposal and each proposal will be based on its own merits. President Kyger asked Secretary S. Palisi to read the proposed resolution.

“Whereas the Community of Diamondhead is always looking for new ways to improve the quality of life of its residents, to encourage responsible business, to increase demand for commercial and residential property and increase revenues for the POA and the future City of Diamondhead.

We do hereby declare, in a non-binding resolution, that the Diamondhead Property Owners Association does not conceptually oppose the development of gaming in Diamondhead.

This does not imply support for or opposition to any specific development proposal. Each proposal shall be judged on its own merits. However, for any proposed development to earn the support of the Property Owners Association, it must, at a minimum, be for the construction of a first class gaming facility, with a hotel, to be approved by the appropriate authorities and the Mississippi Gaming Commission. Additionally, any such proposal must adequately address traffic control and flow and be aesthetically pleasing.

It is understood that this declaration is non-binding and that we will object and resist any gaming facility going forward should these minimum requirements not be met.”

V President J. Yarbrough made a motion and Treasurer B. Marshall 2nd the motion to accept the resolution.

Treasurer B. Marshall made a statement regarding the traffic analysis that had previously been done. The study showed that there would be 2 traffic lights installed and that would reduce the wait time. Treasurer Marshall stated that even now without the casino we should be looking at installing a traffic light. He also stated that he doesn't believe the traffic is going to be that big of an issue.

M. Feola made a statement regarding the casino stating he is neither for nor against this, but his concern is the rezoning of the platted Diamondhead residential lots. Feola has an amendment to add to the proposed to the resolution if approved. The amendment is as follows: "We approve of rezoning the platted Diamondhead residential lots if in compliance with the covenants, 85% of members vote for that phase". Director D. Pellegrin 2nd the motion.

Director J. Menker made a statement regarding the proposed resolution. She stated that the board is morally and ethically irresponsible to even consider when there is a group of people who will be directly affected and that is the property owners on the south side. Menker added that she feels it is a violation of our fiduciary responsibilities to protect the covenants and put a restriction on those covenants. Menker discussed that if the resolution is for the betterment of the community then why hasn't the board set aside money to improve that area that would include the airport and marina.

President Kyger stated that Menker's points are well taken, but with the veto the zoning must equal covenants and if someone came in with a great development proposal we could not do a thing because of the zoning requirements.

Director J. Peppenger made a statement regarding the proposed resolution and stated that he was for the resolution. Peppenger asked Feola if he was for or opposed the resolution.

Feola stated again that he is neither for nor against the casino.

Director J. Peppenger made a statement to Feola: "During the Board of Supervisors meeting regarding the rezoning of Diamondhead Property for the casino in 2009, you were quoted along with 4 other board members that you were opposed to the rezoning. Your letter to the Board of Supervisors stated you were neither opposed or for, which is it?" Mario's answer was "I will see you later".

Treasurer B. Marshall made a statement regarding the rezoning done by the covenants. The covenants were not considered in the last go around. What is your point Mario?

V. President J. Yarbrough wanted to remind everyone that this is a board meeting not a town hall meeting. Yarbrough is against the amendment.

There was some discussion regarding the covenants and the rezoning. Mike Casano stated that zoning doesn't affect the covenants.

President Kyger stated that in the annual membership meeting in June there will be a questionnaire for all members to complete and offer your input regarding the proposed resolution. We will be able to get a gauge of where we are with regards to the resolution. President Kyger stated that V President Yarbrough opposed Feola's amendment. President Kyger asked for the cards to be passed for the board to take a vote for the proposed amendment.

Feola's amendment failed, 3 yes, 6 no, 1 abstain. Kyger asked to have the names read for the votes. Hopes abstained, Menker yes, Kyger no, Mario yes, Yarbrough no, Crosby no, Palisi no, Durell yes, Peppenger no, B. Marshall no.

President Kyger stated that the next vote would be on the original resolution. The proposed resolution passed with 7 yes, 2 no, 1 abstain. Kyger asked for the names to be read, Yarbrough yes, B. Marshall yes, Palisi yes, Peppenger yes, Durell yes, Crosby yes, Menker no, Feola no, Kyger yes, Hopes abstain.

President Kyger stated that the vote regarding the VFW bandstand will be tabled until next month.

President Kyger briefly discussed the HMS contract that we have been looking at adopting. Kyger stated that in no way will the board be relinquishing our responsibilities/duties.

HMS gave a brief presentation of the proposed contract and what they are offering to do for us.

President Kyger made a brief statement regarding why we were looking at hiring HMS. Our golfing income has greatly decreased and is taking more money from our general membership dues to support the golfing facilities. Kyger also stated that HMS brings a lot of experience to the table. HMS has the potential to earn \$250,000 a year; however, they risk all that based on performance. If they do not save us \$120,000 a year HMS doesn't get paid. We want to increase our revenue and decrease our cost/expenses. This will not be accomplished by raising our dues. We need to increase our performance and this is why we believe is worth giving HMS a try. Pam will remain as the GM and will be in daily contact with HMS.

Treasurer B. Marshall made a motion that we accept the contract with HMS dated April 18, 2011 and Director J. Peppenger 2nd the motion. Director J. Menker made a move to table the motion until July to allow the entire community to understand it and ask questions of HMS, 2nd by Feola.

Director D. Hopes made a statement that initially he was against this contract and wanted to push it back. He also got a list of 24 companies that they were no longer doing business with and he contacted 16 of these companies. D. Hopes was told by prior businesses that HMS was a very stable and strong company. Hopes admitted that he was very skeptical at first, but he believes that this is the best decision for our community.

Director J. Peppenger made a statement regarding us constantly pushing decisions down the road and never really making a decision. The board has been elected to make decisions and look out for the best interest of the community.

President Kyger made a statement that at the end of the three year period our need for HMS will diminish and we can come to an agreement to work with HMS as a need to basis, possibly a consulting capacity. We are very happy with our new management team. All the department managers are doing a great job.

Feola feels very strong that the people of Diamondhead should have input. You can not make a decision but you can tell us how you feel. Feola believes that was important enough to go out with the mailer. Feola also discussed the agreement with Purcell. President Kyger asked Mr. Casano and Mrs. Williams to address Feola's concerns. Feola stated for them to address them in writing. Feola stated that this done all in violation of the policy and procedures setup by the board. We do not have three competitive bids.

Mike Casano made a statement that there is no issue with regards to Purcell and the take over agreement.

The vote was taken to table the motion until July or after a town hall meeting. The vote to table failed, 3 yes, 7 no. Durell yes, Feola yes, Menker yes, Kyger no, B. Marshall no, J. Yarbrough no, Palisi no, Hopes no, Peppenger no, Crosby no.

The vote now is to accept or not accept the HMS contract. The motion passed 7 yes, 3 abstain.

The last item on the agenda is blocked tee times, the board has elected to table this vote for now; however, when the Pines reopen May 28, it will be the decision of our new management company as to how they would like to handle the blocked tee times.

Questions:

1. How will the Ron Garl contract and the HMS contract work together? President Kyger stated that these two will work together very nice. We should be receiving a proposal from Ron Garl any day now and that will be posted.
2. Is it too late to reword the questionnaire with regards to the word "support"? No it is not too late per President Kyger.
3. I have read that all violations are followed up on. When will something be done about the sea of "for sale" and "open house" signs at the entrances? President Kyger stated that we allow realtors and homeowners to put these signs out starting Friday 5pm, but must be picked up by Sunday evening. We are trying to enforce all the rules.
4. Why does the board oppose a casino? We have to judge any proposal on its own merits. We tried to make the questionnaire very brief and just a general questionnaire, was not intended to a detailed questionnaire.

Motion to adjourn by Peppenger and 2nd by Yarbrough.

Susan Palisi
DPOA Secretary