

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
DIAMONDHEAD COUNTRY CLUB AND PROPERTY OWNERS ASSOCIATION, INC.
December 21, 2020

A meeting of the Board was held at 5000 Diamondhead Circle, Diamondhead Mississippi. President Knobloch chaired the meeting and called it to order at 6:00 P.M.

Present were President Knobloch, Vice President Gillen, Secretary Sislow, Treasurer Rayner, Director Becker, Director Ertel, Director James, Director Tauzin, Director Nutting, Director Ramirez and Ex-Officio Marthouse. Also present were General Manager Abadie, Controller McInnes and 15members.

MINUTES – The minutes of the 11/16/20 meeting were approved by email vote on 11/19/20.

APPROVAL/AMEND MEETING AGENDA – A motion to amend the agenda to include motions to approve a golf cart lease, spend funds to repair the 19th Hole at the Club, to rename the Clubhouse building and to withdraw the motion to purchase the skid steer was made by Director Becker, Director Ertel and Director James. The motion passed unanimously.

PRESENTATIONS – 1. Kenneth Jones, representing Elliott Homes provided an update on the clearing of land for his development which started 10/1/20 and is expected to be completed in 45 days, with 57 home lots available in phase 1 of his project. Sewer work is to begin after 1/1/21, and the ultimate plan is for 210 homes over 80 acres. 2. GM Abadie provided an update on the work of the Focus Group who is assisting with marketing for the POA amenities. He shared a proposed logo which includes a proposed name change to “The Club at Diamondhead” to assist in making the clubhouse less formal, elitist, and exclusive sounding to attract members and guests. 3. Legal Counsel Sharp reviewed issues with collections with hearings being refused by Justice Court which serves primarily as a small claims court with limits in the financial amounts being contested, and the correction of that problem. He reiterated his opinion after much review of past litigation and legal issues that the Bylaws passed by the POA membership in 2010 serve to provide that all property owners in Diamondhead remain members, despite any covenant expiration, and therefore are required to pay dues to support the amenities. Therefore, collection efforts will continue.

PRESIDENT’S REPORT – President Knobloch described the many holiday activities that have taken place since the last meeting, as well as golf tournaments and dining events. He noted the delay in receiving the Diamondhead News, describing several areas of difficulty and suggesting that members be sure to use POA E-Blasts and Facebook pages to receive current updates and information. He spoke to a request to provide the names of members who were in arrears of dues payments, and that he believed that to be a harsh approach, reporting that People’s Bank owes \$1.3M in back dues (which is being contested) and individual members collectively owe \$2.4M (which could fund the POA amenities for one year). President Knobloch also reported that there may be impending cash flow difficulties related to an estimated \$200K in damage from Hurricane Zeta (primarily the 19th Hole and marina), while insurance is being paid at \$50K for the damage. The insurance adjustor has been contacted to reconsider the insurance payment.

COMMITTEE REPORTS -

Golf – Working on fee structure and not altering legacy tee times, but allowing members to book on line up to one month in advance.

Administration Committee – did not meet.

Airport/Marina – Working on partnering with Stennis Airport for assuring that airport is meeting all FAA regulations; finding few wild hogs near airport; completed finger pier repairs and allowing boat storage.

Futures – Dealing with legal issues of collections and dues payment.

Recreation – Prioritizing pool and play area needs, hoping to set standards for classes, assisting with tennis restructuring.

Food & Beverage – Discussed branding/naming changes, discussing 19th Hole repairs.

Grounds Committee – Plans on hold while hurricane clean-up is completed.

GENERAL MANAGER’S REPORT – General Manager Abadie wished everyone Merry Christmas. He provided financial reports, including year-to-date and 2021 budget summary, assumptions, schedule of fees and initial capital expenditure plan. He also shared a list of employees recently hired to replace resignations. Lastly, communication of planned changes to Tennis members was shared.

POA MEMBERS COMMENTS ON AGENDA ITEMS – Ms. Amy Talbott spoke to the tennis fees for 2021, expressing concern for non-member fees resulting in disadvantage to members. She also spoke to the receipt of communication about the fee structure before Board approval.

UNFINISHED BUSINESS – None

CONSENT AGENDA – None

REGULAR AGENDA –

1. A motion to approve the 2021 Budget as presented was made by Director Nutting and seconded by Vice President Gillen. President Knobloch, Vice President Gillen, Secretary Sislow, Director Becker, Director Ertel, Director James, Director Tauzin, Director Nutting, Director Ramirez and Ex-Officio Marthouse voted for the motion. Treasurer Rayner voted against the motion. The motion passed.
2. A motion to replace seven (7) non-warranty broken and add five (5) Toast hand-held devices because of increased staff in the bar was made by Director Ertel and seconded by Director Tauzin. The motion was amended by Director Ertel to replace 7 non-warranty hand-held devices and 2 charging stations not to exceed \$3500. President Knobloch, Vice President Gillen, Secretary Sislow, Director Becker, Director Ertel, Director James, Director Tauzin, Director Nutting, Director Ramirez and Ex-Officio Marthouse voted for the motion. Treasurer Rayner voted against the motion. The motion passed.
3. A motion to approve the 2021 Proposed Golf Rates and Fees was made by Director Becker and seconded by Director James. President Knobloch, Vice President Gillen, Secretary Sislow, Director Becker, Director Ertel, Director James, Director Tauzin, Director Nutting, Director Ramirez and Ex-Officio Marthouse voted for the motion. Treasurer Rayner voted against the motion. The motion passed.
4. A motion to approve allowing the City of Diamondhead to use a section of the Clubhouse ballrooms for municipal elections was made by Director Nutting and seconded by Director Ertel. The motion passed unanimously.
5. A motion to approve using the approved dredging grant to rebuild marina piers number 1 and number 2 was made by Director Becker and seconded by Vice President Gillen. President Knobloch, Vice President Gillen, Secretary Sislow, Director Becker, Director Ertel, Director James, Director Tauzin,

Director Nutting, Director Ramirez and Ex-Officio Marthouse voted for the motion. Treasurer Rayner voted against the motion. The motion passed.

6. A motion to approve the restructuring of tennis to include administrative and membership fee changes for 2021 was made by Secretary Sislow and seconded by Director Tauzin. President Knobloch, Vice President Gillen, Secretary Sislow, Director Becker, Director Ertel, Director James, Director Tauzin, Director Nutting, Director Ramirez and Ex-Officio Marthouse voted for the motion. Treasurer Rayner voted against the motion. The motion passed.
7. A motion to approve replacement of light fixtures and lighting on 7 tennis courts was made by Director Nutting and seconded by Director Tauzin. The motion was amended by Director Tauzin and seconded by Secretary Sislow to defer ½ the lighting and spend not to exceed \$8500 in 1st quarter 2021. President Knobloch, Vice President Gillen, Secretary Sislow, Director Becker, Director Ertel, Director James, Director Tauzin, Director Nutting, Director Ramirez and Ex-Officio Marthouse voted for the motion. Treasurer Rayner voted against the motion. The motion passed.
8. A motion to create a Safety and Environmental Committee (or Sub-Committee) to analyze our operations for OSHA compliance and create a process to maintain compliance was made by Director Ramirez and seconded by Treasurer Rayner. The motion passed unanimously.
9. A motion to reestablish the POA Board “Delegation of Authority” as provided by Mississippi state statutes was made by Director Ramirez and seconded by Vice President Gillen. President Knobloch, Vice President Gillen, Secretary Sislow, Director Ertel, Director James, Director Tauzin, Director Nutting, and Director Ramirez voted for the motion. Treasurer Rayner, Director Becker, and Ex-Officio Marthouse voted against the motion. The motion passed.
10. A motion to Replace 800 sq. ft. of ramp area adjacent to the concrete boat launch with concrete was made by Vice President Gillen and seconded by Director Becker. President Knobloch, Vice President Gillen, Secretary Sislow, Director Becker, Director Ertel, Director James, Director Tauzin, Director Nutting, Director Ramirez and Ex-Officio Marthouse voted for the motion. Treasurer Rayner voted against the motion. The motion passed.
11. A motion to approve the EZ Go Golf Cart lease was made by Director Becker and seconded by Director Nutting. President Knobloch, Vice President Gillen, Secretary Sislow, Director Becker, Director Ertel, Director James, Director Tauzin, Director Nutting, Director Ramirez and Ex-Officio Marthouse voted for the motion. Treasurer Rayner voted against the motion. The motion passed.
12. A motion to spend \$112,000 to repair hurricane damaged 19th Hole was made by Director Ertel and seconded by Director Tauzin. The motion was tabled.
13. A motion to change the name of the club building to “The Club at Diamondhead” was made by Director Ertel and seconded by Director Tauzin. The motion passed unanimously.

POA MEMBERS COMMENTS ON NON-AGENDA ITEMS –

Ms. Sharon Settles, The Oaks POA president requested the Board consider the reinstating fines (which had been reversed by the Violations Committee) relating to her complaint about noise created by a neighbor. She wishes to have the option of a complaint by her resulting in a warning to the neighbor.

Mr. John Curry expressed his grave concern about the possibility of the POA being underinsured when he heard of the low settlement offered the POA for storm damages.

NEXT MEETING – The next scheduled meeting of the POA Board will be January 15, 2021 at 6:00 P.M. in the Diamondhead City Hall.

ADJOURN – A motion was made by Treasurer Rayner and seconded by Director Nutting to adjourn the meeting. The meeting adjourned at 7:55P.M.

Respectfully submitted,

Nancy Sislow

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POA Board Secretary

Approved on 1/5/21 by email vote