

JUNE 2014 BOARD MEETING
DIAMONDHEAD COUNTRY CLUB
APPROVED BOARD MINUTES

June 26, 2014

7 p.m.

In Attendance:

President Mary Pracht
Vice President Joe Claflin
Treasurer John Porter
Secretary Faye Taylor
GM James Turner

John Cummings
Ken Benck
Suzzi Combs
Diane Jones

Absent:

Larry Hibbs

President Pracht opened the meeting. There is a quorum present so we will proceed with business. We need approval of the May 27 minutes. Have all the directors gotten a copy and had a chance to read them. Are there any changes or additions? Director Combs moved to approve the minutes, seconded by Director Jones. Passed unanimously.

With candidates night we did not have committee reports so if there are any committees that have a member here that wishes to say anything. Committee reports will be heard at the July Meeting. We had a great Candidates Night and had a lot of people here. There were a lot of questions and comments.

We have financial highlights which Treasurer Porter has passed out and there are copies available. He was asked to go over the report in detail.

Treasurer Porter said for the month of May we ended up with revenue of \$116,500. We had total expenses including depreciation of \$121,000. Expenses over revenue of \$4,500. Year to date we are at revenue of \$222,000. Operating expenses and depreciation at \$222,400 which leaves us expenses over revenue of \$273.00. We had budgeted income for the year to date of \$10,400 so we are about \$10,700 from where we need to be. There are a couple of reasons for that. Under administration to date we are \$4,700 negative. The pool is \$4,200 negative and the security is \$4,100 negative. The administrative payroll was a little higher than anticipated because of getting out the year end billings and selling vehicle stickers and so on. We had a lot of extra time in the administrative office. The pool start up chemicals were about \$3,200 and that was a one time only cost. Security had a little extra payroll and some repairs and maintenance that we ran into with the car that had to be fixed. Every time someone knocks down a camera pole we have to get that fixed. Cash on hand including committee funds as of the end of May \$478,600. Cash on hand a year ago \$377,400 so we are doing a little better cash wise.

On the back of the sheet are the estimated major expenses for the month. \$8,500 for a new AC unit for the 19th Hole and the golf course rebuilt a tee box on number 7 which was \$3,700. We have 52 homes which are in arrears, 39 of those are non-functioning. What I mean by non-functioning is they are not paying at all. The other 13 are on payment plans trying to get caught up by the end of this year. Our rearage is right at \$105,000. Lots are still at 55% in arrears.

Golf rounds for the month are 1582 and golf revenue is \$30,000. Revenue per round is \$19 and

expenses per round \$34. That is up because the month of June we had quite a bit of rain. Golf memberships as of the end of May was 99 and has increased 4 to 5 since then.

President Pracht added that in regard to the Pro Shop from May we have had questions about outside play and how are we doing. As an example the difference in one month in guest rounds as of last year in May we had 383 rounds and this year we had 589 rounds. Another comparison on year to date figures on guest rounds. For year to date in 2013 we had 913 rounds of guest play. To date in 2014 we have had 1,741 rounds. At the year end in 2013 we only had 3,270 rounds. Treasurer Porter added that if anyone has questions Neal Gray is our accountant and he works Monday, Tuesday and Wednesday in the office and will answer any questions. Also people can call Treasurer Porter. He also suggested putting the Treasurer's Report on the web site.

GM Turner talked about the transition of the 19th Hole. Most of you have had a chance to meet Debbie and she brings a lot of experience. People are impressed with the service and what she is doing. They are also working on a budget

Also we had a very big tournament this past week, Men's Four Ball. The golf course made \$2,000 off of that in rental and above and beyond that we made almost \$1,500 in outside play. Then it was \$600 or close to that in merchandise sales.

On the web site there is now a virtual tour for the entire community. Also we do not have an employee that we can do without right now.

OLD BUSINESS

President Pracht reported on the Porterfield versus the DPOA lawsuit. We had a final hearing on June 18. It lasted 3 hours. The judge at the end of it said he would issue his ruling within 30 days. I received the judge's order Friday the 20th. He wrote the order and dated it June 19. He filed it with the clerk's office on the 20th. I will read the whole order at the Town Meeting in July.

It concerns the President that we have candidates running for the board that refuse to buy stickers for their cars. We have people that want to be honest, ethical and transparent but will not spend \$10 per vehicle to put a sticker on their cars when the rest of us do.

Director Cummings said the people elected are expected to sign a Code of Ethics and that kind of activity would be in violation.

Now we need to ratify a straw vote taken on the repair of the second culvert. The board passed by straw vote to go ahead and allow Mr. Milligan to buy the necessary equipment to repair the Diamondhead culvert. Director Cummings made the motion to approve this culvert repair. Director Claflin seconded. Motion approved.

Bob Jones has a proposal from the Road Committee that is a continuation of road repairs for this year. They sent out bids to three different paving companies. The only one that responded is Spa. Part of Lost Lake Point has been added into the bid request. The bid came back at \$85,715.15. In order to stay with our original estimate of \$70,000 we would like to remove the one section we had proposed originally and that will take out \$23,823. That would be Springbrook Drive from Independence to Springbrook Point. Also included was an offer to do miscellaneous pot hole patching. We are asking for a repair budget of \$66,000. We need to get an okay from the board to give Spa the go ahead with these changes so they can start their planning. Director Jones made a motion to accept the bid of

\$66,000 from Spa Construction to do resurfacing and pot hole repair. Seconded by Director Taylor. Motion carried.

The board also took a straw vote at the Agenda Meeting in regard to a statement that has been on the ballot forever. The Nominating Committee has requested that they be allowed to remove from the ballots that are sent out for Board of Directors Candidates voting the statement "You are reminded the proxy is used for quorum purposes only". Director Claflin moved, seconded by Director Porter to remove that statement. Motion passed with Director Cummings opposed.

Director Porter said we have some residents who have requested that we publish the names and addresses of delinquent homeowners either on a monthly or quarterly basis. In the past at the Town Meetings we have had a list of delinquent homeowners. The GM was asked to have this list available for the July 24 Town and Board Meeting.

There was a recommendation regarding property on Arlington Drive. Director Cummings said this is something that is pending with the ACC.

Director Taylor was asked if there was any additional information on Junior Golf Memberships. The meeting will be next Wednesday morning.

Ballots go out July 1 and have to be returned by July 31.

There is a large 4th of July celebration planned.

Our next Agenda Meeting will be July 17 at 7 p.m. Town Meeting July 24 at 6 p.m. followed by a Board Meeting at the conclusion of the Town Meeting.

Director Claflin moved to adjourn, seconded by Director Benck. Motion passed. Meeting closed at 7:45 p.m.

Respectfully submitted,

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Faye Taylor
Board Secretary