DAUPHIN ISLAND PROPERTY OWNERS ASSOCIATION **November 24, 2009**

Minutes of the November 12, 2009 POA Board Meeting

PRESENT:	ABSENT:
Bruce Jones, President	Frank Leatherbury
Jay Minus, Vice-President	
Bruce Thompson, Treasurer	
Glen Coffee, Secretary	
Robin Linn	
Jackie Gaines	
Charles Gaba	

Call to Order: After establishing that a quorum of the Board of Directors was present, the meeting was called to order by Bruce Jones at approximately 6:00 pm.

Bruce opened the meeting by announcing that Bill Harper had resigned from the Board and that it was necessary to elect a new President. A motion was made and seconded that Bruce Jones be nominated as President. No other candidates were nominated and after a vote by the Board, Bruce was elected as the new POA President. That action required that a new Vice-President also be elected. A motion was made and seconded that Jay Minus be nominated as Vice-President. No other candidates were nominated and after a vote by the Board, Jay was elected as the new POA Vice-President.

The resignation of Bill Harper creates a vacancy on the 9-member board. The vacancy will be filled by a vote of the Board members. Bruce requested that any POA member interested in serving on the Board to notify one or more of the existing members so a decision could be made to fill the position until the next annual election in May 2010.

Approval of Minutes:

The revised minutes for the September 19, 2009 meeting were approved. This was followed by approval of the October 8, 2009 meeting minutes.

Treasurer's Report: Bruce Thompson reported on the DIPOA's assets as of November 12, comparing them to the figures for October 8:

	10/8/09	11/12/09
A. Bay Bank		
1) Operating Balance	$ 45,265.69	$ 18,276.49
2) Money Market	$ 45,000.00	$ 45,000.00
3) Scholarship Fund	$ 33,855.33	$ 33,921.84
B. Merrill Lynch		
1) Trust	$ 1,395.00	$ 1,397.00

C. Wachovia Securities

1) Operating	$ 313,209.00	$ 312,768.89
2) Trust	$ 402,304.00	$ 402,967.86
3) West End Beach Restoration	$ 16,574.00	$ 1,574.90
Total	$ 857,603.02	$ 815,906.98
Net Change		(-) $ 41,697.04

	9/19/09	**10/8/09**
Membership Dues	$ 80,750.00	$ 83,950.00
Royalty Income	$ 23,214.53	$ 3,288.55
Beach	$ 3,522.00	$
Rent	$ 3,600.00	$ 550.00
Golf Memberships		$ 477.82

The following major points were made:

- The net value of the POA's financial assets experienced a fourth straight month of decline (-$20,834.12 for July, -$23,117.62 for August, -$2,526 for September, and -$41,697.04 for October).
- Bruce Thompson explained that the decline in the POA's financial assets was due in part to the continuing reduction in the value of the gas royalty payments; continuing legal fees; and a reduction in revenue from the golf course due to seasonal low play.
- An additional $3,200 was received from members paying their voluntary membership dues. The total number of property owners that have submitted dues for the year increased to 840 from the 808 reported at the last meeting. This is compared to the approximately 1,100 members that paid their dues all of last year.
- A question was raised from the audience as to why the West End Beach Fund was reduced from $16,474.00to $1,574.90 over the last month. Bruce explained that the monies were transferred to the Operating Balance Account to cover monthly expenses. Lisa Young stated that the monies originally contributed to the West End Beach Fund were intended to fund the berm work and that if the monies are not to be applied to beach restoration activities, they should be returned to the original contributors and not used to satisfy the operating needs of the POA. Bruce Jones committed to relook at the constraints applied to these funds to determine if the transfer was appropriate.
- A question was raised from the audience regarding how monthly bills are approved and who signs the checks. The answer given was that Jeff Collier approves the bills and the POA accountant writes and signs the checks.

The Treasurer's Report was accepted by the Board.

Committee Reports:

Operations Committee:

1. **Golf Course:** Jeff Collier provided the following report.

- The golf course received no damage from Tropical Storm Ida. Precautions were taken to reduce salt water intrusion by closing the lake drain pipe on the beach areas south of Fairway No. 3.
- Repairing the golf course lake drain valve and pipe remains a priority.
- The practice green had been damaged by a vehicle one night and that the vandalism had been reported to the police department.
- Play continued to be down in October, reflecting the seasonal low time of the year.

  October 2008: Members - 205 Non-members - 348
  October 2009: Members - 197 Non-members – 297

  In discussing the issue of play, Jeff mentioned that advertising for the course had been eliminated from the magazine that carries coupons for the course. After discussing the monthly cost of $100 that is required for advertising, it was agreed that we should resume paying this amount since it keeps the Isle Dauphin Golf Course name publicized.
- The greens roller approved at the last meeting has been ordered and should be delivered within the two weeks of this meeting.
- Over-seeding of winter rye is nearly complete. Pre-plant maintenance preparations coupled with good weather conditions for growing grass have resulted in a high germination rate. Course conditions should remain good through the winter months barring any unforeseen problems.
- Jeff recommended closing course for the period December 21-28 for the Christmas holidays. This 8-day period includes the two Mondays that are already scheduled non-work days. This will allow employees to use accumulated vacation leave.
- Jeff reminded the Board that the 2009-10 POA budget includes a Christmas bonus for employees.
- Jackie Gaines raised the issue of the Board considering a increasing the hourly rate for the golf course employees since they have not received a pay raise in several years.
- Jackie also reiterated a suggestion made at a prior Board meeting the fee schedule charged to non-members should be increased before early spring. This would not affect the fees already agreed to for this year's impending "snowbird" members. Bruce Jones stated that Bruce Thompson and Charles Gaba would examine that issue, with Jackie's participation.

2. Budget Committee: Bruce Jones stated the Board would discuss options to enhance the information reported on future monthly financial reports.

Architectural Committee: Robin Linn reported that no plans were reviewed since the last meeting which reflects that little construction is taking place on the Island. The Architectural Committee is scheduled to meet with the Town Building Inspector on November 13 in

connection with the ongoing efforts to develop a POA covenant list that mirrors the Town's ordinance list.

In response to a question from the audience related to the recent shoreline erosion created by Tropical Storm Ida, Robin and Charles Gaba stated that there are no POA restrictions that would prevent property owners from protecting their pilings from erosion as long as the measures take place within the overall footprint of the structure. However, property owners should check with the Town and other entities as appropriate to determine if there are any other restrictions other compliance requirements.

Volunteer Committee: Jackie Gaines reported that he had led a recent effort to trim the palm trees and shrubbery along the road accessing the Isle Dauphin Club and golf course. Jackie requested additional people come forward as volunteers. Future workdays will be publicized to increase participation.

Legal Update: Bruce Jones reported that the Court sent three follow-up questions to the Plaintiff and Defense attorneys in connection with the Corps lawsuit. Briefs responding to the questions have been submitted to the Court and we are awaiting the Judge's ruling.

Stan Graves reiterated his request made at the October 8 Board Meeting that the POA counsel provide a written legal opinion to support the legal opinion relayed by Bill Harper at the September 19 meeting that the Board's July 9 Executive Session vote to accept the 2nd Addendum did not represent agreeing to place an "encumbrance" or "otherwise dispose" of an interest in the lands held by the POA. Bruce Jones responded that he believed this issue had previously been responded to and that a written legal opinion was not needed.

Communications Committee: Bruce Jones reported that no additional work had been done on the POA website since the October 8 meeting. One member of the audience said the website does not appear to have been updated within the last year, with the names of the Board of Directors not being current and recent meeting minutes not being posted. Bruce committed to look into this issue.

Recreation Committee: Bruce Jones reported a letter would be sent by POA counsel to the Fish Camps Property Owners Association requesting that they comply with the zoning decision made to allow the development to take place on the condition that their boat ramp is made available for public use at a fee. The letter will state that their present proposed fee of $1,800/year is unreasonable. A member (his name was not given but he stated that he was the secretary/treasurer) of their property owners association was in attendance and stated that the proposed fee was based upon damages they have experienced to their gate by the public.

Old Business:

Contract for Club House: Bruce Jones stated that discussions would be held with Penny Postlethwait following the Board Meeting to discuss the status of her contract to continue her Magic Moments Event Planners business in the Club House.

New Business:

1. **Insurance Claim on West Surf Beach Lawsuit:** Bruce Jones stated that negotiations are underway with the POA insurance agent to determine if our liability policy will reimburse the POA for $60,000 in legal fees incurred in the West Surf Beach lawsuit.

2. **Director's Liability Insurance:** The date to renew the Director's Liability Insurance is approaching. After discussion by the Board, it was decided that a copy of the existing policy should be obtained and reviewed to provide a thorough understanding of the coverage before renewing the policy.

3. **Tropical Storm Ida:** In response to questions from the audience, Jeff Collier provided an update on the status of clean-up activities from Tropical Storm Ida. He stated sand and other debris would be cleared from all roads within a week of the storm's passage. As of the meeting, Jeff did not know if Mobile County would be declared a disaster area which would make Dauphin Island eligible for federal funds. He stated that damages to the county must exceed $5 million for such a declaration and that FEMA teams were in the process of assessing damages. Jeff expressed his opinion that the damages and clean-up costs on Dauphin Island alone would be close to $4 million.

Jackie Gaines suggested that all sand removed from the roads be placed on the beach "up-drift" from the beach front homes instead of at the park located at the end of the road. Disposal in the suggested location would assure the sand was carried along the developed beach as it was moved to the west to help nourish the eroded shoreline. It was agreed the POA should send a letter to the Town requesting that action and Glen Coffee was tasked with responsibility for drafting the letter for Bruce Jones' signature.

Next Meeting: It was agreed that a Board Meeting would not be held in December. The next monthly Board Meeting will be held on Thursday, January 21, at 6:00 pm. By delaying future meetings until the third week in the month, it will be possible to better capture the monthly operating costs.

Adjournment: The meeting was adjourned at approximately 8:00 pm.

/S/

Glen Coffee
Secretary