

TIMBERLANE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF COMMISSIONERS**

February 20, 2020 6:30PM

TIMBERLANE COUNTRY CLUB (OLD PRO SHOP)

#1 TIMBERLANE DRIVE GRETNA, LA 70056

MEETING CALLED TO ORDER (6:39 PM)

INVOCATION AND PLEDGE OF ALLEGIANCE

In attendance: Chair Jon McGill, Ann Berthelot, Ronnie Evans, Harry Stumpf, John Firestone

AGENDA ITEMS:

1. Approval of Minutes of January 16, 2020
 - a. MOVER: Jon McGill
 - b. SECONDER: Harry Stumpf
 - c. ACTION: APPROVE
 - d. VOTE: 5-0
 - e. YEAS: Ann Berthelot, Ronald Evans, John Firestone, Jon McGill, Harry Stumpf
 - f. NAYS: None
 - g. ABSENT: None
 - h. Jon McGill later noted that the minutes must be posted to the website within 20 days of the meeting. To fulfill this requirement, henceforth the Secretary will post the draft of the minutes, rather than the approved minutes, within that time frame. This change is necessary because the Commission does not vote to approve the minutes until the next monthly meeting (the by-laws preclude voting to approve the minutes electronically). Once the draft is approved at the following month's meeting, the Secretary will then post the approved minutes.
2. Election of Chair, Vice Chair, and Treasurer Positions
 - a. Jon McGill was elected Chair.
 - i. MOVER: Harry Stumpf
 - ii. SECONDER: Ronald Evans
 - iii. ACTION: APPROVE
 - iv. VOTE: 5-0
 - v. YEAS: Ann Berthelot, Ronald Evans, John Firestone, Jon McGill, Harry Stumpf
 - vi. NAYS: None
 - vii. ABSENT: None
 - b. Harry Stumpf was elected Vice Chair.
 - i. MOVER: Jon McGill

- ii. SECONDER: Ronald Evans
 - iii. ACTION: APPROVE
 - iv. VOTE: 5-0
 - v. YEAS: Ann Berthelot, Ronald Evans, John Firestone, Jon McGill, Harry Stumpf
 - vi. NAYS: None
 - vii. ABSENT: None
 - c. Ann Berthelot was elected Treasurer.
 - i. MOVER: Jon McGill
 - ii. SECONDER: Harry Stumpf
 - iii. ACTION: APPROVE
 - iv. VOTE: 5-0
 - v. YEAS: Ann Berthelot, Ronald Evans, John Firestone, Jon McGill, Harry Stumpf
 - vi. NAYS: None
 - vii. ABSENT: None
- 3. Treasurer Report [Balance Sheet and Profit and Loss Statements attached]
 - a. Report: Ann Berthelot presented and three Profit and Loss Statements: January–March 2019 (from the TNIBD’s inception until the end of the fiscal year ending March 31, 2019); April 2019–January 2020; and January 2020. The P&L Statements distinguish TNIBD from Timberlane Golf & Recreation to make clear which items apply to the district and which to golf operations. Ann Berthelot also presented the Balance Sheet, noting that this is preliminary and subject to change based on further research and analysis as to whether certain amounts reported as long-term liabilities may need to be reclassified as current liabilities.
 - b. Auditor Selection: The Commission has received several proposals from different accounting firms. Jon McGill emphasized the necessity of selecting an auditor who has demonstrated expertise and experience in all areas pertinent to the taxing district and who can therefore identify all potentially problematic issues and guide the Commissioners in correcting them. The legislative auditor requires that the audit be done by September and must approve the accounting firm chosen by the Commission. The legislative auditor will begin sending “flags” in April if they have not yet heard from the Commission regarding the audit. The Commission will select the firm at the March meeting and thereafter execute a letter of agreement with that firm, who in turn will contact the legislative auditor for approval. Selecting the firm at the March meeting will place the Commission in position to meet the timeline required by the legislative auditor.
- 4. Golf Operations / Golf Management Company Update
 - a. Under discussion are various issues surrounding the acquisition of new golf carts and equipment, including vendors, financing and potential lenders, and how the acquisition will be classified for accounting purposes: as a capital lease (i.e., installment purchase) or as an expense. Jon McGill indicated that, based on his investigations and on discussions with Century representatives, purchasing the golf carts and equipment would be more cost-effective than leasing in the long

run, provided that they are properly maintained. He emphasized that the employees will be required to do so. Harry Stumpf pointed out that a finance lease or installment sale may constitute incurring of debt, which will require approval from the bond commission. He will examine the documents submitted by the potential lenders to determine how the law may apply based upon the contractual terms and provisions.

- b. Discussions with representatives from Century are ongoing regarding the membership model and cart fees, which are expected to be settled within the next few days. The pricing schedule prepared by the Commission in January will be honored for memberships taken out before March 31, after which the Century terms will take effect. A brochure and marketing materials are being prepared with full information, including pricing and benefits of membership. In addition to the membership levels to be offered, TGR will become part of the GOLFvantage network. Benefits offered to GOLFvantage participants include limited access to tee times, use of the driving range, and guest passes. The cost is \$39.95 per month, of which \$34.95 will be remitted to TGR. The purpose is to increase play at TGR by attracting area golfers who are not yet inclined to take out TGR membership. TGR will also offer its members Palmer Advantage, a network benefit program that offers a variety of additional perks, including access to other member clubs, concierge service, and travel packages. TGR members who opt for Palmer Advantage will pay an additional \$20 per month, of which \$5 will be remitted to TGR.
 - c. A ribbon-cutting ceremony and Commissioners' First Annual Golf Tournament is scheduled for the afternoon Friday, March 27. The ceremony, which will be attended by Mayor Belinda Constant and several city and parish councilmen and officials, will take place at 4 p.m., followed by a nine-hole golf tournament. The tournament will be limited to 84 golfers. Jon McGill is in discussion with Café Hope to provide catering, most likely a fish fry. Commissioners and guests in attendance are asked to get the word out to encourage TNIBD members to come.
 - d. Jon McGill noted Timberlane Golf & Recreation is the only golf course in the area with a lighted driving range, an important feature that needs to be emphasized in the marketing materials and exploited to greater advantage. To that end, he stated that he is in contact with the parish to check on requirements TGR must meet in order to conduct nighttime activity at the driving range, possibly to include seating and a bar area at some future point. He noted that the lights were tested today; most work, and those that do not will be replaced in the next few days. Signage is also being planned. He also noted that the broken tractor is being traded for eight pallets of sod to repair the targets and improve the appearance of the range.
 - e. Jon McGill announced that the bridge to the driving range is in need of repair. Two pilings are cracked. Jon has ordered that the bridge be closed to vehicle traffic until the issue can be resolved.
5. Additional Agenda Item: Fiscal Year 2020 Budget
- a. Jon McGill stated that he, Donnie Darville from Century, and Michelle Preuss are working on the budget for fiscal year beginning April 1, which is nearly complete.

In the interim, the Commission has been making decisions to keep the club operational. He noted the need to compare these expenditures to previous expenditures in light of preparing the budget. Further, given the TCC's financial difficulties of last year, the Commission has had to expend funds in the interim before Century management takes over, to meet such needs as purchase of chemicals and fertilizer and repair of a broken irrigation pipe. Jon McGill has asked the Century agronomist to prepare a plan of immediate action to make sure these expenditures are in line with the anticipated budget.

- b. Jon McGill indicated that he would send the Commissioners a draft of the budget tomorrow. Jon explained the methodology used: he, along with Donnie from Century, and Brady Garrity of TCC independently looked at the actual numbers from 2018 and 2019 to estimate the numbers for 2020. Jon indicated that 2020 estimates are conservative in light of the fact that 2019 was an unusually bad year for the TCC in both revenue and expenses. Jon noted that both the Commission's previous version and Brady's version aligned very closely, so he feels confident in the accuracy of this latest version, which was developed from both sources.
 - c. Noteworthy items from the budget include the following: (1) Expenses and income have been divided into the three categories: those that apply to the District, which include all loan obligations; those that apply to TGR, which consist of golf operations; and those that apply to Café Hope. (2) Within the TGR budget, in light of conversations with Century, additional funds were allocated to improvement of the course, including additional chemicals; (3) Also within the TGR budget, additional funds were allocated to hire a part-time bookkeeper so that Michelle Preuss will be able to take on more sales and marketing responsibilities.
 - d. Jon McGill announced a special meeting to be held on Thursday, February 27 to discuss and approve the budget proposal for the fiscal year April 1, 2020, through March 31, 2021. Following the Commission's approval at that meeting, a notice of the upcoming March 19 meeting for adoption of the budget will be published in the *Advocate*. The budget proposal will be available for public viewing at the venue prescribed by law. This will possibly be somewhere at the Clubhouse, but we are still researching the legal requirements.
 - e. Jon expressed the Commission's acknowledgment of and appreciation for the efforts of Brady Garrity, Gary Hamilton, Ralph Earl, Phillip Rebowe, Michelle Preuss, and Ann Berthelot in preparing the budget. He also noted that this budget shows the TNIBD to be in the black.
 - f. The Commissioners will receive the draft of the budget by email by tomorrow morning at the latest in order to facilitate their review of the budget.
6. TCC / TNIBD/ Café Hope Transition Update
- a. There is a new contract for point-of-sale system, merchant services, and website management. Both Café Hope and Century found the Easy Links and Elevon services applications awkward. We have replaced that contract with a contract from Supreme Golf for those services. Both Century Golf and Café Hope find this software more user-friendly. Training on the new software occurred today. This

new contract will cost no cash flow. Supreme will take the cost of the new IT point-of-sale equipment we had to purchase out of revenue until that is paid off. The Supreme Golf contract is less expensive than the Elevon contract. We were trading three rounds of golf per month as part of payment to Elevon. We received no portion of that money back. Now, with the Supreme Golf contract, they get two rounds of golf per month, and we get a percent return on those rounds. At a certain point of usage, we get the entire revenue from these rounds back. There is no upfront cost to this contract. The Supreme Golf point of service software will deposit money into the TNIBD account rather than the old TCC account. Now, TCC will no longer have to keep two sets of books to separate TCC expenses and income from TGR or TNIBD expenses and income. This will stop the comingling of funds.

- b. There was a hiccup with Elevon where for five days they didn't process credit card payments. The money issues from that brief period have been resolved with Elevon.
- c. A joint operating account has been created with TNIBD and Century. This will maintain separation between District expenditures and TGR. The \$50,000 minimum balance payment required in the Century contract will be made to that account, probably tomorrow. The TGR will pay for expenses out of this account. The TNIBD payments to Century Golf begin with a month and a half for services since mid-January.
- d. The website is being updated.
- e. Bud White, the Century agronomist, will visit Monday. David Malden, with Arnold Palmer Golf Management, will also visit Monday. He manages daily fee play for Century's public courses. We look forward to their management input. Donnie and David from Century will be here March 27 – 29, so they will be here for the ribbon cutting.
- f. Jon saw a first round of plans (architectural drawings) for the Café Hope's renovation of the Clubhouse. Brady Garrity and Luis Arocha have been working on this. They are designing an open concept. Once you walk past the restrooms, everything will be open: bar and kitchen opening into the ballroom. For special events, the ballroom can be closed off. In addition, a balcony overlooking the ballroom is being planned to encourage more wedding business.
- g. Pool readiness: Louis is aware of Café Hope's responsibility to have the pool ready for Memorial Day. Louis is considering hiring a pool management team. Michelle is looking into whether the Tiger Sharks are still eligible to participate in the country club swim team league. The issue is whether TGR still fits the definition of a country club under the Greater New Orleans Country Club League. There may be other leagues within which team can compete. One of the swim team parents (Heather Grant) will be taking over management of the team. The District will support the team any way they can, but the District does not have the manpower or the funds to sort out the league membership issues.

7. Additional Agenda Item: Amendment to By-Laws

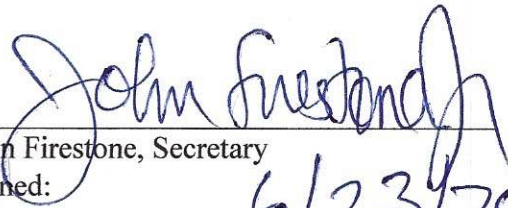
- a. Membership requirements: Harry and Ronnie have been tasked with developing policies for defining who are valid members of the Timberlane Golf and

Recreation Club. We need policies for confirming this and enforcing this by the March meeting.

- b. Harry Stumpf presented a draft of a proposed amendment to the TNIBD by-laws to provide for succession of officers should any offices be left vacant by outgoing Commissioners before the election of new officers. Discussion followed. Principals involved include: the two offices which cannot be held by the same person are Chairman and Secretary. It was decided that the Commissioners will further review the draft and provide feedback. Harry Stumpf will present a revised draft at the next meeting.
 - c. Regarding the trademark approved by resolution at the last meeting: we are awaiting final approval from the government agencies.
8. Questions/comments from the public (LIMIT 3 MINS PER PERSON)
- a. Audience member Theodore Heine informed the Commission that he had heard that the Jeff Net website showed that there were approximately \$236,000 in IRS liens against Café Hope for tax years 2015 through 2019. He asked the Commissioners whether they were aware of this at the signing of the lease and how this might affect the District. Jon McGill replied that the Commissioners were unaware of this and pointed out that had Mr. Heine approached one of the Commissioners before the meeting, the Commissioners might have had the opportunity to provide an answer at the meeting. Jon McGill stated he would investigate the matter.
9. Ethics training: The Commissioners are reminded to complete their required annual state ethics training and Tier 1 financial disclosure forms before March 31. John Firestone will identify the precise training and websites and remind you in a timely manner.
10. Adjourned – 8:24 PM
- a. MOVER: Jon McGill
 - b. SECONDER: Ronald Evans
 - c. ACTION: APPROVE
 - d. VOTE: 5-0
 - e. YEAS: Ann Berthelot, Ronald Evans, John Firestone, Jon McGill, Harry Stumpf
 - f. NAYS: None



Jon S. McGill, Chairperson
Signed:



John Firestone, Secretary
Signed: 6/23/20

Approved