

TIMBERLANE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION DISTRICT

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

June 23, 2020, 6:30PM

TIMBERLANE COUNTRY CLUB (Old Pro Shop)

#1 TIMBERLANE DRIVE GRETNA, LA 70056

MEETING CALLED TO ORDER (6:36 PM)

In attendance: Chair Jon McGill, Ann Berthelot, Ronnie Evans, Harry Stumpf, John Firestone.
Quorum is present.

AGENDA ITEMS

- 1. Approval of meeting minutes for the regular meeting of February 20th, the special budget approval meeting of February 27th, and the regular meeting of March 19th.**
The February 20th minutes were not ready for the special February 27th meeting because of the fast turn-around. The February 27th meeting was a special meeting for budget presentation. Both minutes were ready for the March 19th meeting, but that agenda was limited to responding to questions about the TNIBD budget because of the newly instituted COVID19 restrictions. So, there are three sets of minutes for approval tonight.
 - a. Approval of February 20, 2020 Minutes.
 - a. MOVER: Jon McGill
 - b. SECONDER: Harry Stumpf
 - c. ACTION: APPROVE
 - d. VOTE: 5 – 0
 - e. YEAS: Berthelot, Evans, Firestone, McGill, Stumpf
 - f. NAYS: None
 - g. ABSENT: None
 - b. Approval of February 27, 2020 Minutes.
 - a. MOVER: Jon McGill
 - b. SECONDER: Harry Stumpf
 - c. ACTION: APPROVE
 - d. VOTE: 5 – 0
 - e. YEAS: Berthelot, Evans, Firestone, McGill, Stumpf
 - f. NAYS: None
 - g. ABSENT: None
 - c. Approval of March 19, 2020 Minutes.
 - a. MOVER: Jon McGill
 - b. SECONDER: Harry Stumpf
 - c. ACTION: APPROVE
 - d. VOTE: 5 – 0

e. YEAS: Berthelot, Evans, Firestone, McGill, Stumpf
f. NAYS: None

2. Update on Century Management and Golf Operations

a. Operations during COVID: Through meetings with the Governor and tracking practices by golf courses around the country, the Club has been able to continue to operate during the COVID epidemic. We have adjusted to the Governor's guidelines. Several changes were instituted to protect employees and clients. Changes included a switch from cash to credit cards only. The entry has been changed: no in-and-out; one entry/ one exit. A spray approved by the FDA to sanitize carts for COVID was acquired. Now, each golfer is required to have his or her own cart.

The Club's ability to continue to operate is fortunate; daily golf play has spiked because people have more time away from their places of business. It was decided early on to pay our employees a 10% bonus. This was continued throughout the Governor's Emergency order that ended June 15th. This action allowed us to keep most of our employees (only lost two). Special thanks to Richie Tomblin for keeping everything going during this confusing time. Some of our employees live in Orleans Parish and were concerned not to violate Mayor Cantrelle's stay-at-home order, so Richie had to cover these shifts. At one point, the Golf Pro was directed to self-quarantine at home for two weeks due to potential exposure to a person who tested positive. The Golf Pro tested negative, but this measure was taken in an abundance of caution to ensure the safety of our employees and patrons. Furthermore, the transition to Century (April 1st) took place during the quarantine, and the Century personnel who had planned to be here in person were unable to travel. Donnie Darville from Century, Michelle Preuss, Richie, and Jon were on the phone daily to manage this transition. Ronnie Evans took over helping with Golf Ops in mid-April.

b. Golf course conditions: Agronomy maintenance and remediation have proceeded apace. Monday, April 20th, the course was closed to aerate the greens. The course was closed another Monday trying to figure out the COVID19 restrictions. Eventually, it was noted there was little enough revenue on Mondays that a decision was made to continue to close on Mondays for course maintenance. Looking for ways for non-golfers to enjoy our green space, the Commissioners are considering opening the green spaces to residents on Mondays. Residents can't be allowed on the course during golf operation for safety reasons. The liability issues are being researched, so this is not yet an official determination but is under heavy consideration.

c. Well repair: The need for repair of the Southside well was known. We have been fortunate to manage with one well for as long as we have. Should that remaining (Northside) well fail during a drought (as we saw during COVID), this would be a difficult situation. It took several weeks to get this coordinated. To avoid risking the progress that we have made so far, it was decided to move forward with the repair so that we once again will have two operational wells.

During the installation of the new pump, new leaks and loose connections were discovered. Initial estimate was \$33,431, but additional repairs add up to \$42,561 (including a jack stand and discharge components). The repair workers replaced 100 feet of pipe, placed a new pump, and strengthened all the existing connections. The dormancy of the well (8 years) contributed to

these extra leaks, so we expect it to stay in good condition with ongoing use. The job will be completed tomorrow, June 24th.

The commission was able to get three bids on the project, but this was not easy. There aren't many water-well diggers in Louisiana, and residential well diggers don't handle this size well. This made finding the right candidates difficult. The lowest of the three bids was chosen. The amount is below the threshold to require a public bid, but it was considered a prudent practice to obtain other bids anyway (consistent with legislative intent even when not statutorily impelled).

d. Equipment Lease Update: This PNC lease is for the equipment used to maintain the course, tractors, grass cutting, dirt moving, etc. About 25% of our leased equipment from the PNC lease was no longer operational. Even much of the working equipment would need repair: this lease required at end of lease that the equipment be returned in operating order. This would likely have cost us over \$30,000 to accomplish, at which point we would have to turn it back to the lessor. Fortunately, we were able to make a much better arrangement with a leasing company. The cost was nearly the same as the lease that was assumed with the purchase agreement of the Club. There is the benefit of no longer being required to repair the old equipment to be turned back in. Now there is available additional equipment, including three new tractors, one with a front-end loader, and a mower to maintain some of the rough. In total, this represents control of \$500,000 in new equipment to improve maintenance of the greens. Amazingly, Ladd's in Tennessee worked very hard to get equipment from Jacobsen's shipped to us even before we had completed the lease. This is a lease-purchase agreement: at the end of the term, we purchase the equipment for \$1. Jacobsen's and Ladd's both deserve kudos for extending great service during this transition.

e. Yamaha lease (for golf carts): The Yamaha lease was executed. The Commission wasn't paying on that lease while we were determining what decisions to make regarding the carts. It was requested of Century to go back to Yamaha to negotiate a better lease, which they did. The new carts have been delayed because of COVID, so the club has use of the current carts in the meantime for free. The new lease payments don't start until the new carts arrive. Also, after the TCC assumption, sales tax is no longer owed on the carts (because we are a government entity), so that saves us money. A resolution to ratify this lease will be prepared for the next meeting.

f. PNC Sprinkler Lease Assumption: This second PNC lease is for the sprinkler systems. The lease for the sprinkler system was necessarily acquired as part of the purchase of TCC. However, now as a government agency, sales tax is no longer owed on that lease, thus saving money. Since this is part of the TCC purchase, no ratification resolution is needed.

h. Personal notes about TCC / COVID transition in general: Even though Trune was our initial choice, Century has been so helpful with the transition. Donnie is a seasoned operator. Several commissioners expressed their gratitude for the Century team.

i. Miscellaneous:

1. The dead tree in the golf course was mentioned. Doing something about the tree is under discussion. It is important, but not the first priority. The aesthetics of having a dead tree on LAPALCO / Marlene is a concern. If members see items of concern, please report

them to someone at the club or the Commission. Agronomist to visit in July. Donnie will be here for our July meeting., as will Luis Arocha, Executive Director of Café Hope.

2. Commission gives thanks to Carl Panebiango for his timely action to repair the bridge to the driving range. He has also been willing to wait for his pay for this job, but it preserved access to the driving range.
3. Richie came up with the idea to place some sun shelters on the driving range. Along with some landscaping, it also allowed for the placement of 7 or 8 advertising signs along Lapalco. This will bring in an additional \$7,000 to \$8000 income.

3. Café Hope Update

The Chairman discussed some of the difficulties with Café Hope generating revenue during the shut-down and highlighted some of the successes Café Hope was able to achieve with to-go orders. Based on the potential for funding decreases from donors and the State of Louisiana, the Chairman requested the Commissioners be prepared to address the capital improvements portion of the Café Hope lease, in the event that funding and revenue prevent the capital projects from being initiated within the original timeframe contemplated on the lease.

Pool: TNIBD was able to continue our payments to Café Hope. They turned around and put most of this money into pool repair. This is particularly commendable given their financial concerns at that time. The serious pool leaks had been previously repaired with roofing material, which led to ongoing problems. This professional repair involved breaking up the old patch, laying new rebar, and concrete to create a permanent solution. There is now a contract company to manage the pool water. Richie did a good job last year, but this is a big pool to manage. Our goal was to open May 31st, but we didn't have authority from the governor to open then. It opened two days after the Governor allowed. Ann Berthelot put together a group to clean up the pool look, painting and landscaping. In addition to Ann and Luis Arocha, this effort involved Lee Stansberry, Heather Grant, Brady Garrity, and Renée Becnel. Brady and Renée (who is an interior designer) have both helped with plans for the clubhouse renovation.

4. Auditor Selection

Public entities like the TNIBD must undergo annual audits by an outside auditing firm, one that has been authorized by the State of Louisiana to perform such audits. A public request for proposals was made: five firms responded. After review of the proposals and conversations with several of the firms, the Commissioners felt Camnetar & Co was the best choice. They seemed to be the best fit, and their cost estimate was in the middle of the proposals. This discussion occurred over phone and email because of the COVID lockdown and time constraints. The Chairman has sent a letter to Jamie Rodgers, lead auditor at Camnetar, advising them of their selection. The process from here is for Camnetar to fill out the paperwork to notify the State Audit Committee. Once the State approves it, then we get the papers back and the audit ensues.

- a. MOVER: Harry Stumpf
- b. SECONDER: Ronald Evans
- c. ACTION: APPROVE Camnetar & Co, CPA as the official legislative auditor for the TNIBD at the price they quoted in their proposal
- d. VOTE: 5 – 0
- e. YEAS: Berthelot, Evans, Firestone, McGill, Stumpf
- f. NAYS: None

g. ABSENT: None

5 / 6. CPA Update / Treasurer's Reports and Requirements

This is a challenging situation. The Commission has certain reporting responsibilities as an entity and as a political subdivision. Century management was hired to handle golf management. They provide their reports on golf operations (TGR: Timberlane Golf and Recreation) which is part of TNIBD, but not all of it. They report in the time frame standard in their business, but TNIBD is supposed to report monthly. Century uses accrual accounting, whereas TNIBD has been using cash-basis accounting. So, a CPA is needed to take the Century reports, incorporate the TNIBD expenses, and help us create the proper form for government entity reporting.

Difficult and ongoing search: The search for a CPA for TNIBD has been trying. A recommendation from our auditor did not pan out, but it took several weeks to discover this. That person recommended another person. This person was well qualified, but was no longer licensed (older and decided not to renew). It has been difficult to interview accountants because of COVID and their being busy advising their clients about PPP, taxes, CARES Act, SBA loans, etc. We need the CPA before we can provide any official reports. Tomorrow, we have an interview with a CPA, who is a forensic accountant with Jefferson Parish. Perhaps that will work out.

Issues to be resolved: For example, one issue involves the non-neighborhood member dues (totaling \$10,000/ month). These are billed on the last day of March and are paid on the last day of March. In cash-basis accounting, as TCC and TNIBD have operated, this entry is placed in March. Under accrual accounting, as is Century, this would be placed in April. We need CPA advice as to how to allocate this money. Other types of advice we need: whether certain items are a capital expenditure or an operating expense.

Overview of financial status: Michelle and the TNIBD Treasurer have made reports enabling the Chairperson to keep track at the broad overview level. Expenses have included turning over the lease (\$36,000 to pay all the payments and associated property tax). Tournaments were cancelled because of COVID-related restrictions on large gatherings, thus creating a revenue loss of about \$20,000. Merchandise had been purchased for those tournaments which we were not able to sell. However, there has been much more daily play and range activity; these golf operations seem to have made up for the lost revenue. The more detailed reports that a CPA will be able to produce will give us a better idea of where exactly we are financially. To get a quick estimate, however, the Chairperson in the meantime has looked at the cash on hand in the bank. At this point, the financial plan indicates that we should have \$700,000 in the bank—that is what we have on hand. Two expenses were not anticipated: the well repair was not in the budget, but \$30,000 was budgeted for an emergency capital improvement. The bridge repair was also not budgeted, but that was done at cost. It is anticipated the \$15,000 to \$20,000 unbudgeted expenses will be made up in increased play. It is hoped no more of our tournaments will need to be cancelled nor that Phase One returns. Once these reports are finalized, every major category will be reviewed. If any category has a discrepancy larger than 5% in any major category, the Commission will need to amend the budget.

It will likely take at least a month for any CPA to straighten these issues out. Our audit starts next month. It is not an option to use the CPAs who served on the Finance Committee, even though they have an informed understanding of what is going on in the organization. The Commissioners very much appreciate their great aid is getting us to where we need to be, but we are required to use someone else for this purpose.

The Golf Vantage Program (Century) allows nonmembers to have driving range privileges and greens fees discounts. The projections expected 72 Vantage members. We expected to open / showcase this at the Grand Opening we had to cancel. The membership has only been open for one month, and there are already 30 such members. The Palmer Golf program, which allows Century members at one club to have discounted play at other Century clubs, will come on board in a few months. Audience members have noted some social media advertising. Ronnie will investigate who is doing that.

7. Commissioner Requirements Status

All the commissioners have filed their personal financial disclosure statements. There remains the one hour of required ethics training. The ethics training must be completed before the end of the calendar year. There are two ethics courses: one for commissioners and board members and the other is primarily for civil employees. The secretary will send a monthly reminder.

8. Tax Assessment Resolution

Resolution to set the District assessment for the tax year 2020 at \$1950 per property subject to taxation within the district.

- a. MOVER: Harry Stumpf
- b. SECONDER: Ann Berthelot
- c. ACTION: APPROVE
- d. VOTE: 5 – 0
- e. YEAS: Berthelot, Evans, Firestone, McGill, Stumpf
- f. NAYS: None
- g. ABSENT: None

9. Membership Requirements

We are intending to clarify Club membership requirements for TNIBD members, how membership can be extended to renters, code of conduct by members, process to counsel and discipline members who violate this code. Trune had a set of proposed rules that can be used as a starting point. It is anticipated to have this ready for the next meeting.

Concern was raised about outside people using our pool. Luis Arocha will be made aware of the concern. Currently names are being taken at the Pro Shop before people are admitted to either pool or gym. Consideration is given to ID cards or electronic key fobs to help with this.

10. Officer Vacancy Procedure

This has been revamped after the initial proposal and will be circulated and acted on at the next meeting.

11. Member Concerns

Grass has grown into the pond behind Meadowbrook, partly because of the drought. We have never previously cut this area. This will be discussed with the agronomist about this on his next visit. Some of the pond growth is the result of lack of water movement now that the fountains are not working.

12. Adjourn (7:52 PM)

- a. MOVER: Jon McGill
- b. SECONDER: Ann Berthelot
- c. ACTION: APPROVE
- d. VOTE: 5 – 0
- e. YEAS: Berthelot, Evans, Firestone, McGill, Stumpf
- f. NAYS: None
- g. ABSENT: None



Jon S. McGill, Chairperson

Signed:



John Firestone, Secretary

Signed:

Date:

06 / 23 / 2020

Approved