

**TIMBERLANE NEIGHBORHOOD IMPROVEMENT & BEAUTIFICATION
DISTRICT**

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

May 19, 2022, 6:30 PM

Conducted via Zoom

MEETING CALLED TO ORDER (6:34 PM)

Roll call: Chair Jon McGill, present; Ann Berthelot, present; Gary Chauvin, present; John Firestone, present; Harry Stumpf, present. Quorum was present. Panelists: Luis Arocha, Donny Darville, Ryan Daul, Donny Darville. Zoom: Four attendees.

AGENDA ITEMS

Note: Order of agenda items has changed.

1. Café Hope Update

Luis Arocha provided an update. Roof work is expected to begin within 30 days and will be completed within 90 days of the start date. Fundraising has begun, including grant writing, corporate philanthropy, and individual philanthropy.

There is also possibility that the building may qualify for state tax credits. Luis has met with Mayor Constant and James Rolf, a consultant to the Historical Society; a Cultural arts district is being established for the City of Gretna, and exploration is under way about adjusting the boundaries of the district to include the clubhouse building or, alternatively, establishing a separate district. The ruling will come in October. Luis said that if the feedback is positive, they will start working on an application for Café Hope to receive the tax credits. As a lessee of the building, which is more than 50 years old, it would qualify. Also, the tax credit could be extended to other buildings of that age within the district that are not owner-occupied, which may mean that Timberlane property owners who rent their property may also qualify for the tax credit. Luis indicated that the tax credit is 20 percent of the improvements that are qualified; he thinks that about 90 percent of the improvements being made to the clubhouse would qualify. Thus, on the \$3 million renovations project, the tax credit could be up to \$600,000.

In response to concerns voiced by Commissioners McGill and Stumpf, Luis explained that the establishment of an arts district would not impose restrictions or obligations on the Timberlane property owners or on the golf course for improvements they might wish to make in the future. Luis indicated that this is very new information and that as discussions progress, he will invite Mr. Rolf to meet with Commissioners McGill and Stumpf and to attend a future TNIBD meeting to provide full details and respond to questions.

Luis added that the pool is on track to open and that the carpets are being shampooed. There will be no summer memberships except for TGR full members and members of the swim club (parents of children joining the swim club must also participate). Swim club memberships are \$385 for the summer, which also includes gym privileges.

The temporary gym is now open. Bung Lee is serving as a consultant. Aerobics machines will be ready in early June, once the insurance is in effect. Luis emphasized that this is not what the gym will ultimately be, but only a temporary solution to provided members with some gym amenities.

In response to a question from Heather Grant, Luis said that they will add a fan to help with cooling and air circulation.

Luis also said that they are exploring the possibility of renting or purchasing a food trailer to provide food service before the building renovations are completed.

In response to questions raised by Commissioner Berthelot, Luis indicated that the coffee shop on Barataria is being funded entirely by grants outside the organization and that others are managing the facility, such that the focus of the Luis will not be impaired and the timeline for the clubhouse renovations will be unaffected. It is a way for the organization to bring in some much-needed revenue.

2. Café Hope Insurance

Insurance coverage on the building while it is being renovated has been difficult. The current insurer has extended coverage for two successive 45-day periods, but the quotes for future coverage were extremely expensive. However, Ryan Daul suggested piggybacking onto the builder's insurance, for a cost of \$36,000 as opposed to the \$89,000 for Café Hope to get insurance on their own.

3. Approval of the Minutes from the Regular April 21, 2022, TNIBD Meeting

MOVER:	Stumpf
SECONDER:	Chauvin
ACTION:	APPROVE DRAFT MINUTES
VOTE:	5 – 0
YEAS:	Berthelot, Chauvin, Firestone, McGill, Stumpf
NAYS:	None

4. Ratification of Layne Settlement Agreement

On motion of Commissioner Stumpf and seconded by Commissioner McGill, the following resolution was offered:

A resolution to approve and ratify Release, Settlement, and Indemnity Agreement (the "Agreement"), dated and effective as of February 16, 2022 (the "Effective Date"), by and among Layne Christensen Company ("Layne"), Timberlane Neighborhood Improvement and Beautification District ("TNIBD"), and Timberlane Country Club ("TCC")

WHEREAS, TNIBD, as owner, entered into an agreement ("Contract") with Layne, as contractor, for Layne to perform certain work and services ("Work") for the repair of TNIBD's water well ("Well") located on the Timberlane Golf Course in Gretna, Louisiana ("Project").

WHEREAS, Disputes arose between the parties regarding, inter alia, amounts Layne alleges are due under the Contract, Layne's Work that TNIBD alleges is defective, and TNIBD's allegation that Layne failed to perform and/or properly perform all Work required under the Contract.

WHEREAS, On or about February 18, 2021, Layne filed an action against TNIBD and TCC, the prior owner of the Timberlane Golf Course and the Well, to recover its alleged damages in connection with the Project, which action was originally captioned Layne Christensen Company v. Timberlane Country Club and Timberlane Neighborhood Improvement and Beautification

District d/b/a Timberlane Golf & Recreation, 23rd Judicial District Court for the Parish of Ascension, State of Louisiana, Division D, Case No. 130848. That action was subsequently transferred to the 24th Judicial Court for the Parish of Jefferson, State of Louisiana, where it is currently pending under the caption Layne Christensen Company v. Timberlane Country Club and Timberlane Neighborhood Improvement and Beautification District d/b/a Timberlane Golf & Recreation, Division B, Case No. 822-561 ("Litigation").

WHEREAS, TNIBD has asserted a counterclaim in the Litigation against Layne.

WHEREAS, The Parties deny the allegations and claims asserted between/among them and each Party denies any liability to the other.

WHEREAS, The Parties are aware of the hazards and costs of litigation, and, in an effort to avoid those hazards and costs, have agreed to compromise and settled any and all claims, causes of action, rights, liabilities, disputes, and obligations between them that in any way arise out of or related to the Project, the Contract, the Well, the Work, and/or the Litigation, for payment of the amount of \$30,000.00 cash by TNIBD to Layne.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners that the AGREEMENT dated and effective as of February 16, 2022, by and among Layne Christensen Company, Timberlane Neighborhood Improvement and Beautification District, and Timberlane Country Club is approved and the execution thereof by Jon McGill, Chairman, is hereby ratified.

This resolution having been submitted to a vote, the vote thereon was as follows:

MOVER:	Stumpf
SECONDER:	McGill
ACTION:	APPROVE AND RATIFY LAYNE SETTLEMENT AGREEMENT
VOTE:	5 - 0
YEAS:	Berthelot, Chauvin, Firestone, McGill, and Stumpf
NAYS:	None
ABSENT:	None
ABSTAINING	None

The resolution was declared adopted by the Board of Commissioners acting as the governing authority of Timberlane Neighborhood Improvement and Beautification District, Parish of Jefferson, State of Louisiana on this the 19th day of May 2022.

5. Golf Course—FEMA Claim Update

Jon stated that the Category A claims should be paid soon. Commissioner Chauvin will check into the status, given that FEMA has all the documentation it needs.

6. Century Update

Donny Darville provided an update. April was the first month of the fiscal year. Rounds are up 35 percent, though the average fee per round dropped a bit. The reason is that there was a large increase in weekday play, which is a lower rate. This is good news, given that weekend play is already full. With these successes, their focus is shifting on golf membership sales; April saw 17 golf membership enrollments (with four resignations) and 19 at the newer higher-rate GolfVantage memberships (with nine resignations). Net dues for the month are up about \$2,000

over April 2021. The new referral program is working well. Four of the 17 new golf memberships resulted from the referrals of one member. The additional revenue has resulted in net income of almost \$21,000 over budget.

The aerification of the course is taking place; photos will be taken and provided once completed.

Jon McGill asked Donny, in light of the increased weekday play and resulting lower average fee per round, to provide more data and analysis in a visual representation. Donny agreed and also noted that other courses include Friday in their weekend rate and that in many cases Fridays are busier than Saturdays. Discussions about changing the Friday rate to weekend rate may follow. Jon McGill added that we have an excellent team that has allowed us to make good-value improvements, and now we are in a better position to continue to add value to what TGR members and players experience. He praised Richie for his proactive efforts to look for creative ways to generate revenue with very little additional investment, adding that Paul Alley has brought another dynamic; his idea to acquire the snake mower has been a major cost saver. He encouraged everyone to express their appreciation to them.

Jon also reported that Richie has sent out a quote to paint and clean the parking lot and fill the potholes. However, before making any expenditures, Jon is asking Richie, Gary, and Donnie to put together a strategic plan for the parking lot, taking into account what we can afford and the impacts of the clubhouse construction.

7. Additional Auditor Proposal Ratification

Jon McGill explained that the agreement with the auditor is two contracts in one. The Commission approved the execution of one of the two contracts previously. Tonight, the Commission will ratify the Chairman's execution of the second contract.

On motion of Commissioner Stumpf and seconded by Commissioner McGill, the following resolution was offered:

A resolution to engage Ericksen Krentel, CPAs as auditor for fiscal year April 1, 2021, through March 31, 2022

Whereas, the provisions of La.R.S. 24:513 require that the financial statements, records and accounts of Timberlane Neighborhood Improvement and Beautification District ("TNIBD" or "the District"), auditee, be audited or reviewed annually and submitted to the Louisiana Legislative Auditor "LLA");

Whereas, the LLA may, at his discretion, accept an audit or review report prepared by a licensed certified public accountant at the expense of auditee;

Whereas, Ericksen Krentel, CPAs is a licensed certified public accounting firm;

Whereas, by resolution of the Board of Commissioners of Timberlane Neighborhood Improvement and Beautification District adopted on April 21, 2022, the Board approved the engagement of the firm of Ericksen Krentel, CPAs to perform specified procedures on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period ended March 31, 2022, set forth in the firm's proposal dated March 15, 2022;

Whereas, Ericksen Krentel, CPAs also submitted a written proposal dated March 15, 2022, ("Engagement Letter"), a copy of which is attached hereto and made a part hereof, to TNIBD to audit the financial statements of the governmental activities and the disclosures, which collectively comprise the basic financial statements of Timberlane Neighborhood Improvement & Beautification District as of and for the year ended March 31, 2022 for a conditional estimated fee for services not to exceed \$9,930;

Whereas, by error and inadvertence, the approval of the above proposal of Ericksen Krentel, CPAs to audit the basic financial statements of the District was not included in the aforementioned April 21, 2022, resolution of the Board;

Whereas, in accord with the Louisiana Government Audit Guide for licensed CPAs, the certified public accountant is responsible for submitting the engagement agreement to the legislative auditor for approval prior to the commencement of the audit;

Whereas, each auditee shall designate an individual who shall be responsible for filing annual financial reports with the legislative auditor and shall notify the legislative auditor of the name and address of the person so designated;

NOW, THEREFORE,

BE IT RESOLVED by the Board of Commissioners of Timberlane Neighborhood Improvement and Beautification District that TNIBD engage the firm of Ericksen Krentel, CPAs, and to accept the terms of the firm's Engagement Letter dated March 15, 2022, to audit the financial statements, records and accounts of TNIBD for the fiscal year April 1, 2021, through March 31, 2022, in accordance with law and the rules, regulations, and requirements of the Louisiana Legislative Auditor.

BE IT FURTHER RESOLVED that the Chairman of the Board of Commissioners, or his successor, is hereby authorized to execute the Engagement Letter on behalf of the District and that his execution thereof is hereby approved and ratified.

This resolution, having been submitted to a vote, the vote thereon was as follows:

MOVER:	Stumpf
SECONDER:	McGill
ACTION:	RATIFY ADDITIONAL AUDITOR PROPOSAL
VOTE:	5 - 0
YEAS:	Berthelot, Chauvin, Firestone, McGill, and Stumpf
NAYS:	None
ABSENT:	None
ABSTAINING	None

This resolution to engage the firm of Ericksen Krentel, CPAs to audit the financial statements of the governmental activities and the disclosures, which collectively comprise the basic financial statements of the District for the fiscal period ended March 31, 2022, set forth in the firm's proposal dated March 15, 2022 and to approve and ratify the execution thereof by Jon McGill, Chairman, was declared adopted by the Board of Commissioners acting as the governing authority of Timberlane Neighborhood Improvement and Beautification District, Parish of Jefferson, State of Louisiana on this the 21st day of May 2022.

8. Playground Fundraiser

Jon McGill stated that the prime mission of the Commission and the District is to maintain control of the land. Generating revenue from the golf course is essential to that mission; the tax assessment by itself is not enough. That said, non-golf amenities are also important to the neighborhood, and because we have secured the revenue stream, we are now able to turn our attention to those amenities. To that end, we are proposing to build a playground—eventually two playgrounds. One would be located by the clubhouse. However, because there is currently nothing on the south side other than golf, the plan is to build that one first.

Commissioners Chauvin and Berthelot will be the points of contact for this project, and Gary has already started to receive quotes. Richie has set a golf tournament as a fundraiser, the first of several fundraising efforts. The Commission will establish the accounting procedures to track the donated funds, as well as the ancillary expenses (and necessary permits) for parking and lighting.

The budget allows \$100,000 for capital outlay, and Jon estimates that we can dedicate \$20,000 to \$25,000 to the playground, leaving probably \$25,000 to \$35,000 to obtain through fundraising.

Commissioner Chauvin indicated that the lead time for building the playground is likely to be five months. He suggested proceeding on choosing the design and the equipment so that orders can be placed once the funds are raised. He said he will have all information on the plans, insurance, etc., by the next meeting.

9. Task List

Jon McGill indicated that he does not believe that the Commission will entertain any resolutions or other major discussion points. He may be out of town for the July meeting, in which case Commissioner Berthelot will go over upcoming task list items in the meeting.

10. Treasurer Update

Treasurer Ann Berthelot presented the March financial statements. Ann and Jon prefaced the discussion by explaining that all checks are written against the nonprofit checking account. However, that account has been set up so that the balance is never above \$200,000, to ensure that it remains within the amount that the FDIC insures against loss due to bank failure. Any amounts that exceed that limit transfer to the promontory ICS account; conversely, when the checking account balance is below that amount, funds are transferred to it from the promontory account. These transfers are done automatically by the bank, and at the close of every business day, the checking account balance is \$200,000. The March financial statements from Treasurer's Report show a deficit of \$5,089 in the checking account because the check to Layne, although written, had not cleared and that there are also some unprocessed checks to Café Hope. This negative balance reflects activity in the QuickBooks accounting only, not the actual bank balance; because the checks hadn't cleared, the promontory account had not yet been triggered to move funds to the checking account.

Ann then stated that she'd been asked whether payments are still being made to Café Hope. She replied yes, in accordance with the terms of the contract. Jon added that checks to them have been drafted, and are accounted for in our financials, but are being withheld pending the financials.

Other noteworthy items follow. As of March 31, we are still due \$45,290 from the Jefferson Parish tax assessment. Net income from the previous fiscal year was \$241,499. For March 2022, TGR revenues were over budget in all areas; total income was over budget by \$20,762. Expenses were over budget by \$18,291 primarily due to increased payroll expenses, Pitch and Putt addition,

and the Mighty Mowers expense. Net income was unfavorable to budget by \$5,881. However, the multiple unbudgeted expenses that contributed to that are expected to bring us favorable market appeal through our thoughtful investments. TNIBD: We received \$66,331 of the remaining assessment revenue. General and administrative expenses were over budget by \$5,200, primarily due to the higher-than expected-legal fees.


Year-end summary: TGR total income was favorable to budget by \$114,780, and every revenue area was over budget. Gross profit (after cost of goods sold) was \$89,362. Total expenses were favorable to budget by \$36,362. Net income for TGR was favorable to budget by \$130,732—despite closure of 100 days due to rain and several high, unexpected expenses. Net income for TNIBD was unfavorable to budget primarily due to legal fees. Overall YTD net income for TGR and TNIBD is over budget by \$108,189. Jon commented that even though the course was closed for nearly one-third of the year, plus the additional expenses due to Hurricane Ida, we were still below annual expense budget by \$36,000, and our annual revenue was over budget by more than \$100,000.

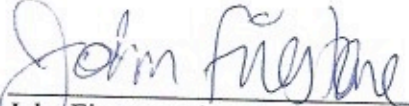
MOS for April: Revenues were over budget in all areas except tournaments, totaling \$19,507. Expenses were overall under budget. After management and incentive fees, higher-than-budgeted revenues and lower-than-budgeted expenses, we are \$21,640 favorable to budget.

Jon added additional context. Not only are we doing well in terms of budget, our financial situation overall is also improving. The annual loss in golf operations continues to decrease as revenues have improved by more than 50% over the last three years. If the situation continues to improve, we can look to retiring debt and making additional improvements. On April 1, we made a principal payment to Hollis Eddins of \$100,000 on the \$300,000 line of credit; a new promissory note has been executed at a more favorable interest rate. Jon added that we continued to make payments on the SBA loan even though they had allowed payments to be deferred for 18 months.

10. Adjourn the Meeting (8:21 PM)

MOVER:	Stumpf
SECONDER:	McGill
ACTION:	ADJOURN
VOTE:	5 - 0
YEAS:	Berthelot, Chauvin, Firestone, McGill, and Stumpf
NAYS:	None
ABSENT:	None


 Jon McGill, Chairman
 Signed:


 John Firestone, Secretary
 Signed:

Date: June 16, 2022