

POINTE SERVICES ASSOCIATION, INC. - BOARD OF DIRECTORS  
Draft of Meeting Minutes  
January 13, 2018  
9 am Perry Clear Creek Fire Station

- 1) **Convene meeting of Board of Directors - Jeff Norris, President, presiding 9:03 am**
- 2) **Roll Call of Directors**

Executive Committee Members: Jeff Norris, President; Robert Schippnick, Past President; Donna Stroup, Treasurer; Mary Alice Manley, Secretary; Joan Lawrence; John Bernstein.

a)	Board at Large	George Malacinski by Proxy Cindy Whitehead
b)	Bay Pointe	Patrick Owen Present
c)	Bay View	Glen Adams Present
d)	Court Yard	James Bottorff Present
e)	Eagle Bay 1	Joan Lawrence Present
f)	Eagle Bay 2	Al Hohn by Proxy Trent Speer
g)	Eagle Cove	Mike Baugh Present
h)	East Bay	Jason Love Present
i)	Fairway Knoll	Ken Surface Present
j)	Front Nine	Jeffrey Born Present
k)	Greenridge	Rick Charles Present
l)	Harbour Point	Paul Williams Present
m)	LaSalle's Woods	John Bernstein Present
n)	Pointe Cove	Robert Hall Present
o)	Pointe Retreat	Gil Himebaugh Present
p)	Water's Edge I	Jeff Norris Present
q)	Water's Edge I	I Susan Slaven Present
r)	Woodridge	Mary Alice Manley Present

- 3) **Approval of Agenda**

Susan Slaven made a motion to approve the agenda. The motion was seconded by Joan Lawrence. The agenda was approved by unanimous vote of the Board.

- 4) **Approval of October 21, 2017 Meeting Minutes**

Motion to approve the October 21, 2017 Meeting Minutes was made by Joan Lawrence. The motion was seconded by Glenn Adams. The October 21, 2017 minutes were approved by unanimous vote of the Board.

- 5) **Topics to be Presented by Donna Stroup, Executive Committee Treasurer**

- A. Treasurer's Report The switch from CASI to Tempo has been going well. Discussions are in place to establish electronic direct withdraw from bank accounts. We need to add the grace period and overdue account invoice information.

Bob Hall had the following questions:

1. 16,800 in rental income. How many were billed?
2. Other administrative expenses are over budget.
3. Charge under administrative website.
4. Payment of insurance for last year?
5. Hadn't been charging for depreciation and this should be done.
6. Contingency funds had a \$730 charge. The budget was 0. What is this

charge?

Jeff Norris will be giving \$200 from PSA for the use of the room today.

## **6) Topics Presented by Robert Schippnick**

- A. Eagle Pointe Golf Resort Status

In October the PSA BOD discussed doing something with the EPGR. Doug has gone from chapter 11 to chapter 7 (liquidation). The financial note is \$990,000 with additional costs making it 1.2 million. If leave EPGR in bankruptcy then process will be faster than buying note and forcing the sale. Debbie Caruso is the bankruptcy trustee.. Robert Schippnick has done the winterization and secured the buildings. The cost is reimbursable and will be reimbursed through the chapter 7. All locks on the door in the clubhouse have been changed. The costs for changes and winterization is approximately \$3,700 which will be reimbursed through the chapter 7. The reimbursement will likely happen in January. January 19, 2017 was the creditors meeting. Doug Thomas was placed under oath answered questions from the trustee. Robert Schippnick has been trying to get a feeling about whether the course will open in the spring. William Jonas is the bankruptcy attorney recommended by the trustee. William Jonas is familiar with the Pointe and is a bankruptcy specialist. William Jonas may have a contact interesting in partnering. William Jonas came down on January 8, 2018 and went through EPGR. Robert Schippnick is doing background checks on potential partners to avoid a similar situation as with Doug Thomas. Robert Schippnick explained to interested potential partners that PSA is interested in a 50/50 split. Potential partners are familiar with management of properties similar to EPGR.

William Jonas will be at the PSA Board Meeting on January 20th to cover any questions that members of the PSA Board have. He has recommended a stalking horse bid. The first bidder is the last bidder. The second week in March is estimated to be the time that bidding will close. The process is supervised by the Indianapolis court. These are other considerations:

\* Contact with Jeff Reynolds. He has gone through this kind of transaction. He is probably not interested in a partnership because the return will not materialize for a couple of years. If PSA needs to receive more funds from home owners, then it is best to be up front about this.

\* Robert Schippnick has done a three year proposed projection. The golf course may not have a profit, but this should be made up in funds from the dining room and bar. Robert Schippnick would like to go through pro forma with a specialist who knows about this type of project. There will likely be a loss for the first two years. The third year should break even or show a profit.

\* It will be a challenge to get the business back after the way Doug Thomas managed the business for the past two years. However, PSA will likely have more support from the community. The goal is to break even and to increase or maintain home values.

\* The fair value bid for the property would be \$600,000 plus the personal property. The high end of the bid would be \$750,000 to \$850,000.

\* Robert Schippnick is looking at this strictly from a business standpoint. It is important to not allow the emotional part of the potential purchase to drive the decision making.

\* There will be a cost of \$500,000 in start up costs and \$500,000 in improvements to the golf course, dining room and bar. So, PSA needs an additional \$1 million to get EPGR up and running right.

PSA will have to form a corporation to manage EPGR. This will be a C corp, not a LLC.

Robert Schippnick recommends that PSA makes the first bid in the stalking horse bid. The liquor license expires in February. There is a significant amount of alcohol at the dining room and bar now.

The Court will not take bids from unqualified buyers. This is managed by the trustee. Robert Schippnick recommends that PSA formalize a bid sometime next week.

There is a 21 day appeal process after the auction is closed. PSA will have about \$50,000 in expenses for the bid. Ideally this will be reimbursed and this language should be included in the bid. Robert Schippnick believes that work can be started immediately after the bid is finished and while the clock for the appeal is running. There should not be a delay between the purchase and starting to run the golf course. PSA will also likely have to pay legal consulting fees. Management companies are usually the ones making money from the beginning because they get paid.

Robert Schippnick recommends that a separate \$800,000 be established to run EPGR and PSA would separate.

It should be considered to not reimburse the \$200,000 like has been available in the past.

Robert Schippnick has a breakdown of the income when the Thompsons owned the property.

The bid can be placed at anytime. At this point the only delay is waiting on a form from the trustee.

EPGR needs to open in the spring to improve profitability.

Jeff Norris will be putting out a communication regarding PSA's involvement in the purchase of EPGR. This should be forwarded to all of the PSA through members of the PSA BOD.

Ken Surface made a motion to give authority to PSA to bid up to \$750,000 for the purchase of EPGR. The motion was seconded by Bob Hall. The motion was approved by unanimous vote of the Board.

William Jonas will be at the fire station on Saturday, January 20th for PSA BOD, guests and potential investors. Jeff will circulate a summary following the meeting.

- B. Communication/Bulletin Boards at Village Mailboxes
- C. Security

**6) Topics Presented by Jeff Norris, Executive Committee President**

- A. Trimming of the shrubs and bushes as previously approved. There was discussion of bids and timing of this project with the auction/bankruptcy.
- B. Status of Financial Management Company
- C. PSA Website is now live at [PointeServices.org](http://PointeServices.org)
- D. PSA Community TV update.
- E. Light Replacement. There are three bids. Can't do much with this right now.
- F. New Signs. Now have three bids.

**7) Board of Director's meeting schedule for 2017 & 2018 (3rd Saturday of January, April, July and October)**

April 21,, 2018 - Annual Meeting

July 21, 2018

October 20, 2018

**8) Nominating Committee.** Donna Stroup has resigned and will no longer be the Treasurer after the annual meeting. Communication from the Nominating Committee will be sent out before the annual meeting.

**9) Motion to Adjourn at 11:15 am by Glenn Adams.**

Seconded by Jason Love.

Approved by unanimous vote of the Board..