

Minutes of the Monthly Meeting of the Hillcrest Golf Club Board of Directors Tuesday August 17, 2021

The regular monthly meeting of the Hillcrest Golf Club Board of Directors was held at the Hillcrest Golf Club on Tuesday, August 17th, 2021. President Brian Dommer called the meeting to order at 5:30 PM. All Board members present were: Bill Warren, Bob Therrell, Brian Dommer, Britt Bassett, Elliott Fitz, Jeff Thompson, Jesse Larson, Michael Anziano, and William Gwinn.

The following Hillcrest staff members were present: Amy Moody, Lindsay Mattison, Michael McCloskey, and Ken Kirby.

A. MINUTES

President Dommer asked if there were any revisions to the July minutes. With no changes, the minutes were approved.

B. PUBLIC PARTICIPATION

There were no members present.

C. FINANCE MANAGER'S REPORT

Amy Moody referred to the detailed report in the monthly board packet for details while highlighting that Hillcrest is exceeding the projected budget in all areas. While revenue is up, expenses are also up, but net income is ahead of what was projected. Further discussion was held regarding the expected Navajo Trails Open (NTO) income and expenses as well as capital expenses still upcoming in 2021. The Club has a cash balance of \$471k with long-term debt of \$694k. \$83.0k of capital expenditures have been made so far this year.

Positive results were reported on two key performance metrics: The profit margin for merchandise and the Food and Beverage (F&B) operation income so far this year.

Some initial discussions were held with a bank regarding combining existing loans with a new loan to cover the cost of cart path replacements. The Board discussed reaching out to additional banks to learn what loan options will be available.

D. GENERAL MANAGER'S REPORT

Michael McCloskey provided a report in the board packet and discussed the following items.

Activity at Hillcrest is not slowing down at all yet in late summer.

There will be some staff transitions and schedule changes as students head back to college. These changes will require hiring 2-4 more employees this fall which have already been identified. With a very successful summer internship at Hillcrest now completed, Jeff Jones has indicated interest in working here in the future.

The Junior Golf Camps have been completed and were a great success. Hillcrest graduated 122 junior golfers through 3 camps. Fourteen competed in the Junior League with a final tournament at Glacier Club with a second-place overall finish for the season. Twenty-three completed the Hillcrest Junior Golf Foundation Advanced Program.

Staff has continued planning and preparations for the 2021 NTO to be held August 26-29th. Golfing events include the NTO Sponsors Tournament, the Pro-Am, and the 54-hole main event. Volunteers are now being recruited to help with the event.

F&B operations are profitable and higher than in previous years. Full-service operations will continue at least through September.

Merchandise operations are also showing a good profit and sales are also higher than previous years. Margins are somewhat lower than projected because of the large volume of golf club sales. The Simulator has contributed to club fittings which have helped drive these sales. Preparations for next year are already underway with vendor meetings and planning for the Rocky Mountain merchandise show in October.

With the move to later tee times into fall, it is expected that more complaints about the difficulty in getting morning times will come up.

Key Performance Indicators were reviewed - there have been slightly less rounds played this year than last, but the active monsoon weather likely accounts for that. So far, 4% fewer rounds have been played this year than last with an even split between 9-hole and 18-hole rounds played. Members now account for 73% of morning rounds played, which is slightly higher than last year. Daily fees account for 58% of evening rounds played.

A brief discussion was held on how the club benefits from vendor golf club demos and certified fittings from companies such as PXG, Ping, Wilson, Callaway, and Titleist.

E. GOLF SUPERINTENDENT'S REPORT

Ken Kirby updated the Board on current course maintenance items. Final preparations are underway for the NTO and all seem pleased with condition of the course. The last full course fertilization will be done next week. Green and tee aerification is scheduled for Tues Sept. 7 to 10th. The new forward tees will be put into play at the conclusion of the NTO! Gold tees will move forward on 7, 13, and 18 where the current forward tees are located. The Colorado Golf Association has already rated the forward tees and the new course and slope ratings will be included in course cards that will be printed next year. It has been a good year for irrigation water and no issues are expected through the remainder of the year. The maintenance crew is fully staffed through October.

F. COMMITTEE REPORTS

1. Finance Committee

Bob Therrell reiterated that finances are looking good as detailed in the financial report in the board packet. He noted that Hillcrest has about \$150k more in cash than this time last year.

2. Grounds Committee

Bill Gwinn reported that the bid to repair and seal the pavement around the maintenance area came in higher than the Board approved expenditure. The work to repair and seal the area around the clubhouse is scheduled for September 27th and 28th.

A discussion was held on the recent bid for repair and sealing of the maintenance area asphalt, current cash position, and if this work ought to be done along with the clubhouse asphalt in late September.

A motion was made by Bob Therrel to approve an additional expenditure of \$22,294 for repair and sealing of the Maintenance Building pavement. The motion was seconded and passed unanimously.

The Cart Path Committee will hold a meeting next month to finalize details of work needed so that the bids can be refined.

The Board congratulated Bill Gwinn on the recent newsletter article about course maintenance.

3. Tournament Committee

Jesse Larson reported that the tournaments are going well as scheduled. He suggested that a Board Tournament be held this fall, likely on a Sunday evening.

4. House Committee

Lindsay reported that the capital expenditures on new patio tables and downstairs lounge furniture appears to be money well spent as these areas are being heavily used.

5. Golf Operations Committee

Michael Anziano referred to his report in the board packet and detailed a few items. In the monthly Committee meeting, the new Code of Conduct was discussed. August is the time to put together a Board Nominating Committee to locate members interested in serving on the Board. He noted that the Hillcrest Women's Golf Association does not currently have a member on the Board - and it has not been easy to find anyone from that organization to volunteer to run for the Board.

Board President Dommer established the 2021 election Nominating Committee by appointing Michael Anziano as chair with Elliot Fitz and Bill Gwinn as committee members.

G. UNFINISHED BUSINESS

1. Improved Broadband Connectivity

Hillcrest and FastTrack are awaiting approval of easements for the new underground fiber segments to be approved by the City Council before construction can begin. Initial survey work has started.

2. Upgraded Liquor License

The Hillcrest liquor license upgrade was approved by the State and the certificate was received on July 21, 2021. Hillcrest is now selling closed container mixed drinks. Other types of liquor sales will be available in the future as F&B procedures are put into place.

H. NEW BUSINESS

Board President Dommer conducted a round-robin discussion of Covid protocols and if any club action is needed. All Board members and staff at the meeting contributed to the discussion. The general consensus is to follow San Juan Basin Health's public guidelines. Other ideas were to put up additional signage. It was noted that the greatest risk is to the staff that checks players in. Precautions will be taken in preparing for the NTO to reduce indoor gatherings. Staff will be prepared to follow any changes to SJBH guidelines.

A motion was made by Bill Gwinn to direct Board President Dommer to work with Hillcrest staff to organize the delayed retirement part for Karen. The motion was seconded and passed unanimously.

I. UPCOMING CALENDAR ITEMS

The next board meeting will be held at the clubhouse on Tuesday, September 21, 2021 at 5:30pm.

J. EXECUTIVE SESSION

Bill Warren moved to go into executive session to discuss the fall 2021 budget schedule and staff contract review schedule. The motion was seconded and passed unanimously. The board went into executive session at 7:57 pm and exited the session at 8:25 pm.

K. ADJOURNMENT

The meeting was adjourned at 8:29pm.

Submitted by Britt Bassett, Board Secretary