

**MINUTES OF THE ANNUAL MEETING
OF THE HILLCREST GOLF CLUB
NOVEMBER 12, 2019 DRAFT**

The Annual Meeting of the Hillcrest Golf Club was held on Tuesday, November 12, 2019 at the Hillcrest clubhouse at 7:00 p.m.

Michael Brennan, President, called the meeting to order. A roll call was taken and the following Board members were present: Michael Anziano, Marcia Baxter, Michael Brennan, Bryce Fauble, Susan Atzman, Jack Morrison, Jim Morehart, Jesse Larson and Bill Warren. The following Hillcrest staff members were present: Karen Gallegos and Eric Dunn as well as Michael McCloskey via video conference. There were around 19 Hillcrest members present.

Secretary Marcia Baxter stated that between the email proxies, the proxies mailed in (total 127) and those members present, there was a quorum for any business decisions that require a vote by the membership. We want to thank the membership for voting and executing their proxies.

Copies of the minutes of the 2018 Annual Meeting were passed out to the members present. There were no changes so the minutes of the 2018 Annual Meeting were accepted as submitted.

REPORT OF OFFICERS:

President: “A Century of Service” Presentation

Michael Brennan remarked that “Our Club is very fortunate to be served by quality staff members who do their best every day and always strive to keep Hillcrest at the top of its game”. At the core of these great employees are a very, very select group. Truly, each member of this group is a living definition of the terms, “Dedication and Loyalty.” You know this simply by watching them work, but it is also obvious by their lengths of service. Together, these five have contributed 125 years of service to the Hillcrest Golf Club, and the community at large. Their commitment, perseverance, competence, and modesty continues to inspire the rest of us, and sets a high bar for the quality of work for newer employees. If you want to know anything about “serving well,” just ask them... they wrote the book.

34 yrs Ken Kirby	30 yrs Bud Anderson	27 yrs Karen Gallegos
23 yrs Will Herz	<u>11 yrs</u> Eric Dunn	

Total = 125 years

Thank you to outgoing Board Members Jim Morehart, Jack Morrison, and Susan Atzman. Thanks to the ongoing Board Members for their dedication and service.

The Club began its 50th year at our current site. Here are some highlights:

Hired our General Manager in January

Elected Michael Anziano and Bill Warren to the Board, reelected Michael Brennan, then appointed Jesse Larson following a resignation

Fees were unchanged but the unlimited Range pass dropped

Held the 3rd Annual Board Retreat in March and revised By-Laws and updated financial policies in April

Updated Master Plan - Architect Kevin Norby did a Site visit and public meeting in July

Began litigation to resolve an insurance claim caused by an injury to a member

Improved communication and transparency through website postings, newsletters, and member input

Hired a Finance/Accounting Manager in November

Course

Season opened late on April 12

Held the 57th Navajo Trails Open in June and overall participation in club tournaments increased
Planted nearly a dozen trees - added trees to screen #5 green
Removed old pump equipment on #1 and completed three year fence repair project
Purchased two greens mowers

Clubhouse

Bought a new cart fleet and beverage cart to start the season
Increased quantity and quality of Golf Shop inventory
Repaired drainage problems at the front entry and striped the parking Lot
Held the 2nd Winter Volunteer Paint Party

Community

X-Country skiing closed March 17- \$3800 in donations
Adaptive Golf Program added a Solo Rider golf cart
Junior Golf Foundation increased its participation in youth programming
Continued our collaboration on noxious trees and responsible irrigation water use
Hosted DHS Graduates reunion, hosted Rick Kern Memorial Service, and hosted ten charity tournaments

Secretary's Report - Marcia Baxter

Marcia thanked the Board for their hard work this year, particularly in light of all the changes with the club taking on the Golf Shop, Food & Beverage, and Golf Cart and Range operations. Many thanks goes to the Grounds Crew, General Manager, and Golf Shop staff for their hard work and excellent results. Also, a big thanks to the membership for their participation and interest in all the club events.

Club had a total of 590 members for the 2019 season with 120 being new members. We had 36 seasonal passes and 338 coupon book members. The numbers reported at the 2018 meeting were 559 members of which 83 were new members, 34 seasonal passes, and 421 coupon book holders

The following are policy change highlights in 2019:

No FIVESOMES are permitted from April 1 through October 30th. Other times are permitted at the discretion of the Golf Shop personnel.

Reservations made for more than 8 players will be considered a "GROUP" reservation. They will be allowed to be made as long as they adhere to the new procedures, such as 72 hours in advance notice as to the number of players and their names.

No Shows: Failure to show up for reserved tee times may result in either restricted and/or revoked access to making reservations in the future.

The Club's bylaws were revised in April 2019, largely reflecting the change in business structure. A copy is available on the website or by request. Financial policies were established in April 2019 including updated purchasing policies.

Treasurer Report – Susan Atzman

The year started slowly as the course was not playable until April 12. Despite the late start we had a strong season from a revenue stand point. We invested a lot of startup expenses for the new business that will not reoccur in 2020: safe, window coverings, furniture, server for the POS system, logo panels for carts, and a few others.

Capital spend started early in March at \$40K. We purchased a range ball machine, new snow blower and 3 new club car carryalls for the maintenance crew. We also purchased 2 additional greens mowers in October for ~\$78K.

Clubhouse capital spend was minimal with \$5K going to golf course architect consulting.

Outstanding debt at 10/31/19 is \$870K. New debt was incurred to lease new golf carts and greens mowers.

In February we paid off the former golf pro \$144K. We have zero outstanding obligations from taking over the business. Cash in the bank at 10/31/19 is \$178K.

Significant headway has been made on deferred maintenance around the clubhouse and course. For example: painting,

patio surface repairs, front entrance drainage, gutters, updated signage, asphalt work, parking lot painting, sound system.

A finance/accounting manager was hired to start December 1, 2019. This is a significant staff addition which will help drive Hillcrest's business forward.

It was an extraordinary year of turning the culture around at Hillcrest. The comments from members and the public alike are overwhelmingly positive. Reserves for future capital improvements will come as the business stabilizes in the next few years. Key will be expanding our reach to fill the tee sheet daily and allowing the competent staff in place to use their expertise to guide Hillcrest forward.

STAFF REPORTS:

General Manager – Michael McCloskey

Michael McCloskey expressed his thanks for given the opportunity to join the club and excited about the success of the season. He acknowledged the club does a lot of great things already. He also remarked on the dedication and years of service of the staff which contribute to the success of the club year after year.

Michael highlighted a few of the accomplishments this season.

Food and Beverage hours of service improved, as well as the menu options and the service level provided.

Customer service all around by all staff has improved and will continue to increase next season.

The Marketing budget has been increased also allowing for increased social media presence and outreach.

Tournament participation was up 5% over last year reaching to goal set for this season. The excitement level also was up, not just for the NTO, but across the board.

180 kids graduated from junior golf camps and the club participated in the PGA Junior League.

This is just the beginning what we can do and we'll continue to build on this success next year and the years on.

Thanks goes to Ken, Will, Eric, and their team as the grounds crew produces an incredible product with such a small team. The results are second to none of any other course he's seen which is a tribute to the team we have.

Thanks goes to Karen Gallegos who has had a tremendous amount of patience, institutional knowledge, and flexibility to allow the club to grow as it has.

Thanks goes to Bud and his all the golf shop staff for their endless and tireless efforts.

Thanks also goes to Susan Atzman, Jim Morehart, Jack Morrison and all the rest of the Board members for their hard work and hanging in there as he found his way managing the operation.

Last thanks to all the golfers for their participation and support of the club.

Golf Superintendent – Ken Kirby

It is hard to believe we are already winding down the 2019 golf season but as we put a close on the golf season there is good reason to feel optimistic for not only this year but the years to come as well. The year started off later than usual due in big part to a good old fashioned Durango winter the likes we had not seen in a while. The course opened for play on April 12th following an exceptional cross country ski season that had skiers taking advantage of the good snow for 11 plus weeks. Upon opening we hit the ground running as the course recovered quickly from long overdue moisture during our 2+ year drought conditions. As many may remember winter weather lingered well into May before things finally warmed up. With that, the turf was slow to recover, however playing conditions continued to improve until finally around Father's day things began to explode.

As the summer progressed, the course continued to rally to the point we believe, provided some of the best playing conditions ever. Fast greens and thick rough were the words for the year which many players enjoyed (not all) of course, but there were numerous and positive comments from many.

This season also provided us with the addition of our new Golf Professional Michael McCloskey, who arrived in January and began a new and exciting era for Hillcrest Golf Club. His energy and enthusiasm has added a breath of

fresh air for all involved and it has be a pleasure watching do his “thing”. He has fed new life into the operation and all of us on the maintenance staff look forward to the future.

During the season Will Herz and myself wanted to change our maintenance approach and focus on taking what was already in place agronomically and improve on that. By this I mean improving the overall experience with improved turf quality throughout the entire property. This entailed an amended agronomic program not only with our fertilizer applications but also cultural and mechanical amendments to help maintain consistency with greens, tees, and fairways, not to mention much healthier rough. Rather than do a bunch of projects this year that was our main focus. We did however add several new trees throughout the property in addition to removal of a few. This has been the long term vision to help enhance turf as well as improve playability and it will continue for years to come.

As we put a close on the year, as always there are many people that deserve thanks that often times either goes unnoticed or is often overlooked. I would like to start by thanking my entire staff, their dedication and hard work is what makes Hillcrest Golf Club a joy to be at. Will Herz, Eric Dunn, Ryan Baker, Tauno Gallegos, Scott MacDonald, Kyle Breunig, and Kye Engle, all worked tirelessly to help make everyone’s experience an enjoyable one. Early hour starts and long days were the norm and they excelled without so much as a whimper. I also need to thank Michael McCloskey and his entire staff for changing the dynamic in the pro shop, and snack bar that brought new life into the operation and supported us in our efforts to provide a memorable experience for all who played Hillcrest this season.

Our Board of Directors also need to be mentioned as they all did an incredible amount of work not only this season, but the last couple during the transition of not only a new Golf Professional but a new Business Model which all parties involved will benefit from. Furthermore, I say it every year and it goes without saying our Office Manager Karen Gallegos deserves a huge shout out. I have worked with Karen for 20 plus years and she continues to impress year after year. Last but not least I want to thank all the players that took advantage of the course this year. You are the reason we do what we do up here. **“Until next year, Thanks again to all”.**

Report of Election Results for the Board of Directors

Marcia Baxter reported the electronic ballot system was again a success, and there were very few paper ballots that had to be sent. This saves the club several hundred dollars as well as a tremendous amount of time and work from Karen, so it is appreciated that the members have adapted to the paperless process. The participation rate of 32% is well above the average for our size organization.

Thanks to all the candidates who ran and for their interest. As a result of the election, the new Board members are: Sue Pierce, Steve Embry, and Brian Dommer. Congratulations and thanks for serving.

Adjournment

With no further business, Bill W. made a motion to adjourn, 2nd by Michael A. Adjourned at 7:43 p.m.

Respectfully Submitted, Marcia Baxter, Secretary