

MINUTES OF THE MEETING of the BOARD OF DIRECTORS HILLCREST GOLF CLUB

Tuesday October 20, 2020

The meeting of the Board of Directors was held at Hillcrest Golf Club on Tuesday, October 20, 2020. President Bryce Fauble called the meeting to order at 5:30 PM. A roll call was taken and the following Board members were present: Bryce Fauble, Marcia Baxter, Jesse Larson, Bob Therrell, Michael Anziano, Brian Dommer, Bill Warren. Jeff Thompson and Britt Bassett.

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

MINUTES:

Bryce asked if there were any revisions to the September minutes as written. As there were none, Bob T. motioned to approve them, 2nd by Brian D. Approved and to be filed.

PUBLIC PARTICIPATION:

This is the time set aside for members to ask questions, share concerns or give ideas to the Board and the Hillcrest staff. No members were in attendance.

Bryce distributed an email received regarding the difficulty of scheduling a tee time in the morning and also some suggestions on solutions. The Board discussed the issue in length with Michael M. commenting that over 90% of the reservations during that time slot are made in the first 10 minutes by Hillcrest members so giving advance access to members would unlikely solve the problem. The Board recommended the off season be used to research best practices at other facilities to perhaps learn about potential workable solutions. Forming a committee to include a couple members to come up with proposals should be considered.

GENERAL MANAGER'S REPORT: MICHAEL MCCLOSKEY

- Golf Simulator Update: The simulator recently arrived at the club. It will take some time to set up, train the staff on how to use it, and determine how to promote it. Michael presented a pricing structure which was discussed, and the Board's input will be taken into consideration. Target is to have the simulator available before the season closes for play.
- Office Manager Hiring Process: The Job Description has been finalized and the job opening will be posted later in the week and remain open until around Friday November 6. It is a parttime year-round position.
- Fall Operations Transition: Staff in the golf shop has been reduced to three/day with shorter shifts. F&B window is closed for the season however grab and go items are still available at the shop.
- Tee Time Reservation Constraints: Tee times continue to be reserved very quickly upon opening at 5PM.
- Club Event Schedule Successful
 - Club Tournaments – Season tournaments were a huge success. Last fun tournament will be in November called the “Turkey Shoot”.
 - Community Events – Thanks to the Board to allow the club to host a couple cross country events as well as the fund raiser “Chipping Challenge” which benefitted the community.

- Outside Outings – there were two small 16-20 person outings that happened which are always fun to host and were a success.
- KPI report was presented and tee time utilization remains high. Merchandise sales has rebounded somewhat the last few weeks, but we are still well below sales from prior year due to the shop opening limitations this past season.

FINANCE MANAGER'S REPORT: AMY MOODY

- End of month cash balance is \$311K. Long term debt is \$975K.
- Total income is \$1.4M which is 9% higher than budget. Operating expenses are \$1.3M which is 5% higher than budget. \$36K of expenses are attributable directly to COVID which were not in the budget, otherwise expenses would be on target with budget. Net income is \$72K which is \$53K higher than budget.
- Net cash provided is \$237K, including PPP debt proceeds of \$146k. Long term debt principal payments are \$95K.
- Capital Expenditures – A simulator was purchased in September for \$28,690. Dining room furniture will be purchased in October for an estimated cost of \$5K. YTD capital purchases are \$92K.
- PPP/SBA Loan Update – Congress still has not passed certification for PPP Loan Forgiveness for loans <\$150K. Payments have been deferred to 2021 so since there is no rush to apply we will continue to wait for certification.
- Internet / Phone Update – The project to implement new phone / internet is complete & to be discussed later in the meeting.
- Procedural / Tax Return Update – The agreed upon procedures and the Form 990 tax return should be completed within the next two weeks.
- Amy addressed the questions from the prior Board meeting which was appreciated.
- Liquor license was approved.

GOLF SUPERINTENDANT'S REPORT: KEN KIRBY

- The course continues to hang in there despite the lack of moisture and the amount of play taking place.
- We are beginning to prep the course for winter by pruning back flower beds, restroom heat, and sprinkler head trimming etc. Restroom behind #2 has been closed as it has no heat.
- Grounds crew has been reduced and the remaining staff of four fulltime and one parttime will remain until the irrigation system is blown out around mid-November.
- Range mats went out on Tuesday October 13 to save the turf for next spring.
- First application of fungicide was applied on the greens October 20 and the tees and green complexes will receive it later this month for snow mold protection. Late fall fertilization application will occur first week of November.
- The cottonwood tree at the bottom practice area was removed to protect the net from potential damage due to snow accumulation as well as wind at a cost of \$900.
- The club hosted two cross country events and both went well with no issues.
- The turf has been under a lot of stress so far this year so there is a need, even if there is no snow, to close the course latest by early December as customary. Adverse effects will be seen well into spring of 2021 if we stay open past that time as the turf will not recover.

COMMITTEE REPORTS:

- Finance – Brian D. reported that the committee met on October 13th to review four proposals for internet & phones. A consensus was reached and details are in the Finance Manager's report.

- House – Karen G. reported a new display case for the front entrance was ordered for \$728. A multi-phase plan was presented for upgrading the clubhouse.
 - Phase 1: Old dining room furniture (12 tables & 66 orange chairs) were moved to the storage building by #17. Committee is working with a design consultant for new dining room and lounge area furniture, hallway remodel, and painting. A possible table and chair option will be delivered for evaluation with the hope to have new furniture selected, ordered, & delivered in November for around \$5K. Hallway redesign of display cases & moving plaques is under consideration and will allow a desired expansion of the Golf Shop.
 - Phase 2: Lounge area to be furnished with comfortable tables and chairs hopefully to be done by end of 2020.
 - Phase 3: Patio carpet tiles to be installed in spring 2021 (project was delayed this year due to COVID). Cost estimated \$8-9K.
 - Phase 4: Downstairs patio area to be revamped with trash containers & beverage machine move, and furnished with outdoor patio furniture for players to use.
- Golf Operations – Michael A. reported in addition to M. McCloskey's report that they met on October 9 to discuss operations. Golf rounds continue to be robust with 240 rounds played on a recent Saturday. The use of club facilities for multi-use was under evaluation a couple years ago and a member has volunteered to get information from the city on what that would entail. Michael handed out results of the recent survey, there were 90 responses which were predominantly male members age 60 and above. Learnings will be used to adjust operations as allowed. 95% of respondents answered they were likely or very likely to recommend Hillcrest to friends and family which is an extremely high score for that metric.

UNFINISHED BUSINESS:

- Slate of Candidates for Board Election: Michael A. reported with Bill W. there are 6 qualified candidates for the upcoming election as follows: John Ball, Zak Carney, Jacob Daughtry, Elliott Fitz, Bill Gwinn and current Board member Jesse Larson. Jeff T. made a motion to approve the slate as presented, 2nd by Jesse L. Motion carried unanimously by show of hands.
- Electronic Voting Update: Marcia B. reported on the status of the electronic voting process. The election has been created, candidate and voter information uploaded, and the ballot was tested on the software platform "Election Buddy". Karen and Amy participated in part of the process to become familiar for next year. All member email addresses have been validated so the election is ready to start Saturday 24th at 8 AM and will run for three weeks. Cost is \$89 which is the same as last year. Marcia has prepared a notebook with instructions and screen shots on how to create and run the election for future election administrators. It was agreed the results would be certified on Sunday November 17 by Marcia, Michael A., Bill W. and Karen at the club.
- Budget Schedule – Bryce handed out the new agreed upon budget schedule. Both Amy and Michael M. commented that the new schedule allows them to have better data to prepare the budget as figures through October will be available. Discussion ensued about the date of the work session for the Board to review the first proposal. Bill W. made a motion to change that date to November 10, 2nd by Michael A., passed by show of hands. The session will be held at the club at 10 AM.
- Internet / Phone Project – The review of carrier options and proposals was completed and presented to the Board with a recommendation to go with fiber optic system by CenturyLink. A third party, independent service technician familiar with the club's system was consulted with throughout the process and agreed that was the best solution for our business needs. There are no upfront costs and the net additional cost over 3 years will be \$25,200 (\$700 more / month). The current system provides only about 10% of the speeds required for our business and frequent outages occur resulting in business interruptions and

inconveniences for customers. Brian D. made a motion to accept the recommendation for a new system, 2nd by Bob T., motion passed unanimously by show of hands.

NEW BUSINESS:

- Bryce remarked that the Annual Meeting will be on December 8 at 5:30 this year. The December Board meeting will follow immediately after that and the only business to be conducted is the election of officers.
- At 7:10 the regular meeting was adjourned to go into executive session. The regular meeting came back into session at 9:10.
- Brian D. informed the Board that the purchase of new dining room furniture was taken out of the 2020 budget when it was revised due to COVID. Brian then made the motion to approve the proposed purchase for around \$5K new dining room chairs and tables as presented earlier, 2nd by Marcia B., motion passed unanimously.
- Bob T. stated he'd like to get a quote on installing solar at the club due to the large amount of power that is used. Board agreed that was a good idea so Bob will proceed on it.

CALENDAR ITEMS:

Next regular Board Meeting Tuesday November 17 at 5:30PM.

ADJOURNMENT:

Brian D. made a motion to adjourn, 2nd by Bob T. Meeting adjourned at 9:12 PM.

Respectfully submitted,

Marcia Baxter, Board Secretary