

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS HILLCREST GOLF CLUB**

Tuesday, December 11, 2018 - Draft

The regular meeting of the Board of Directors was held at Hillcrest Golf Club on Tuesday, December 11, 2018 at 6:00 p.m.

Michael Brennan, President, called the meeting to order at 6:08. A roll call was taken and the following Board members were present: Michael Brennan, Bryce Fauble, Marcia Baxter, Susan Atzman, Jack Morrison, Jim Morehart, Bill Warren and Jessie Larson. Michael Anziano was excused.

The following Hillcrest staff members were present: Ken Kirby, Will Herz, Michael McCloskey & Karen Gallegos.

MINUTES:

Michael asked for any corrections for the minutes of the November 13, 2018 meeting. As there were none, the minutes were approved as written.

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.

- Michael Brennan first thanked everyone for coming to the Open House that preceded this meeting and welcoming Michael McCloskey and his family.
- Jim Fiala was introduced as well as the rest of the Hillcrest Junior Golf Foundation Board (HJGF) members Jeff Thulson, Michele Hegenwald, and Pat Cahill. Jim gave an overview of their 501c3 foundation and their mission to promote junior golf participation in the Four Corners. Their funding supports activities at Durango High School, FLC, and their own events. Their main fund raiser is the Navajo Trails Open (NTO). Jim reported that after discussions with McCloskey and the Hillcrest Board the running of the tournament itself will be done by the Club while the foundation will focus on sponsorship.

GOLF PROFESSIONAL'S REPORT:

Michael McCloskey said he was honored to be the new Head Pro and thanks to all for the nice turnout and welcome at the Open House. Also, he appreciated the diligence and hard work the Board did in the selection process.

- PGA Internship Program – Michael described the program including highlighting the advantages of hiring staff in the program as they strive to become a PGA professional. There are 3 programs here in the western region and the normal timeframe interns work is May through August. After discussion, the majority of the Board agreed that this was a good program to pursue with 2-3 interns ideal.

UNFINISHED BUSINESS: PART I

- Michael Brennan reported that Ryan Cleveland resigned from the Board due to professional reasons and was regretfully received on November 15, 2018. Jack Morrison made a motion to accept the resignation, 2nd by Jim Morehart, motion passed unanimously.
- Reviewing the election results, the Board has selected Jesse Larson as a replacement. Marcia made a motion to appoint Jesse Larson as Board Member, 2nd by Bryce Fauble, unanimously approved. Jesse was in attendance so was seated at the Board table for the remainder of the meeting. Welcome and thank you Jesse.

NEW BUSINESS: PART I

- NTO: Memorandum of Understanding – The HJGF Board has been in discussion with the club for some time on how to proceed with the NTO with respect to the club's new business model and the foundation's vision for the tournament. Both have come to an agreement concerning the new roles and responsibilities with considerable input from McCloskey and have put them in a Memorandum of Understanding (MOU). Bryce asked for more details on the fee structure which was discussed including that the Club will set the fees for the sponsor's and ProAm tournaments. The extra labor which will be required to manage the NTO was accounted for by the club in the analysis. Jim Morehart made a motion to approve the MOU, 2nd by Bill Warren. No further discussion ensued and motion passed unanimously. Jim Fiala and Michael Brennan proceeded to sign the MOU. A Hillcrest Board member will attend JGF Board meetings in future.

GROUNDS SUPERINTENDENT'S REPORT: KEN KIRBY

- The irrigation system was blown out on November 19.
- Only he and Will are currently on staff with Bud Anderson on call in case of needed capacity.
- There is new turf technology they were briefed on at a recent Rocky Mountain conference.
- Ken remarked that at least 12-14" of snow is needed before cross country skiing can commence.
- Karen said there is a message on the phone that the club is closed for the season.

Bill Warren commended Ken, Will and their staff for the A-1 job they did this season, with the entire Board also thanking them for their work especially considering the water rationing they were faced with this season.

TREASURER'S REPORT:

Overall net income is down 4% over prior year. The drivers are loss of Pro Shop rent income. Administration expense was over by ~\$22K due to transition expenses. Neither of these main reasons were budgeted for 2018. Course budget is over PY by 2%.

Cash on hand is ~\$225K at the end of November.

UNFINISHED BUSINESS: PART II

- Board members Jack, Marcia, Bryce, and Michael B. were requested to stay after the meeting to sign signature cards for the bank.
- Michael Brennan announced this coming year's committee chairs as follows: Finance & Budget - Susan Atzman, Tournament - Jesse Larson/Karen Gallegos, Grounds - Bryce Fauble, House - Bill Warren, Membership - Michael Brennan, Policy - Michael Brennan however this committee will be a group effort, and Designated Committee Golf Operations - Jack Morrison. Also announced was that Jim Morehart and Michael Anziano will represent the club at the HJGF meetings.
- Michael B. reported on the proposal by Kevin Norby for cart path restoration / relocation. Norby's planned visit in December was postponed due to the snow coverage on the course. His proposal for the next phase of work was presented and discussed was the extent of what he would review and what the club would get

from this phase. Bryce made a motion to accept the proposal made by Norby, 2nd by Susan. No further discussion ensued and motion passed unanimously.

- Russell Dean and Andy were in attendance to answer questions concerning their proposal for 2019 for Adaptive Golf program which they had submitted to the Board ahead of time. The Board expressed their appreciation for the timeliness and thoroughness of the proposal. Jack Morrison made a motion to accept their proposal for the program with the change that Section 4, paragraph 4 detailing a \$1 cart lease fee be deleted. Motion 2nd by Bill Warren and carried unanimously.
- Michael B. reported that the club is waiting on the Club Car lease to come back in contract form. A sales agreement was signed last month. Michael McCloskey has been authorized to make aesthetic changes or additions that are made available with no extra cost.

NEW BUSINESS: PART II

- Michael B. mentioned that normally the budget for the next year is approved in October however this year was delayed in order to have the new Pro be involved in the budget.
- Susan A. presented the Board with the 2019 proposed budget including assumptions, revenue and expense highlights, golf operations figures, and forecasted capital expenditures. The 2019 budget was prepared with Michael McCloskey and took into consideration of the new business model for the club. Explanation and discussion followed. Bryce made a motion to accept the budget as presented, 2nd by Jack M. A vote resulted in unanimous approval.

COMMITTEE REPORTS:

Michael dispensed with the reports for this meeting. Committee heads to come with a short summary next meeting.

CALENDAR ITEMS:

- Timing for the January meeting was discussed and agreed to be changed to Tuesday January 15 at 6PM.
- Date for Board retreat was set for March 16 all day.
- Board Mandatory Membership Dues – Susan A. remarked that the complete membership applications may not be available in January so made a motion that the Board will have until February to pay their dues. Motion seconded by Jack M. and passed unanimously.
- Michael dispensed with the reports for this meeting. Committee heads to come with a short summary next meeting.

ADJOURNMENT:

A motion to adjourn the meeting was made by Bryce F. and seconded by Susan A. Meeting adjourned at 8:50 PM.

Respectfully submitted,

Marcia Baxter, Board Secretary