

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

Tuesday, February 11 2020

The meeting of the Board of Directors was held at Hillcrest Golf Club on Tuesday, February 11, 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, Michael Anziano, Jessie Larson, Bill Warren, Bob Therrell, and Steve Embry. Brian Dommer and Sue Pierce were excused.

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

MINUTES:

Bryce asked for any corrections for the minutes of the January 14 meeting. As there were none, Steve Embry motioned to approve them, 2nd by Michael A. 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. There were two public attendees. Bryce read a letter from Board member Sue Pierce saying her ankle is mending on schedule. She thanked everyone for the well wishes & appreciates the Board's understanding for her not attending the meetings.

Bryce read an email from Kellus Sewell asking about pass refunds for medical reasons. Karen G. has responded that the decision is made on a case by case basis and is prorated. Refunds are given only when a medical professional letter is provided. Another email from Leonard Davies asked if the Board would consider a season cart usage pass similar to the greens fee pass. After discussion, the topic was set aside as more data is needed for a decision, including the effect on revenue and that the club is at cart capacity limit due to space.

GENERAL MANAGER'S REPORT: MICHAEL MCCLOSKEY

- PGA Show Recap: It was a very busy time with 14 vendor meetings from which about \$20k of merchandise was booked summer / fall with another \$20k still left to order. Benefits went beyond just merchandise ordering as much knowledge is exchanged at the show. Outlook for the industry was very positive.
- The new Point of Sale (POS) system went live today and many thanks to Amy, Karen and Bud for their hard work to get the system implemented on schedule. The revamped website is almost completed with a go live timeframe end of February.
- Board Retreat materials are in preparation which include an Employee Handbook draft and proposal on what KPIs (Key Performance Indicators) would be meaningful for the club. Bill W. requested that the handbook be circulated to Board members in advance for review before the meeting.
- Upcoming Deliverables include:
 - Tournament Sales Plan - Michael will be working with area hotels for "Stay & Play" packages
 - Marketing Plan in progress - includes social media campaigns and use of the new email campaign platform

- Policy & Procedures Manual for staff: under draft and very important due to the new POS system.
- Food & Beverage: Michael and Austin will work on this season's offerings. Question as to whether the Board needed to vote on it was discussed and agreed Board approval was not required.
- Tournament calendar is decided and draft written schedule with Karen for final formatting.
- Early bird season pass sales were a success. 377 season passes were sold which generated \$30k of revenue more than 2019 for the sale.

FINANCIAL MANAGER'S REPORT: AMY MOODY

- Cash balance as of 1/31/20 is \$272,665. Based on projected membership sales through March, cash needs will be met without borrowing funds.
- Operating income is \$206,648; total revenues are \$266,478, and operating expenses \$59,830.
- Capital Expenditures include Tee Markers \$7,888 to be installed in March. Cost is under budget by around \$600. Shop Insulation ongoing in February is under budget by \$13,100. Patio carpet installation is planned for May at a cost of \$8k (under budget by \$500).
- 2019 Financial Statements were included in the Board packet. Board members are asked to comment if they like the new format or have any comments.

GOLF SUPERINTENDANT'S REPORT: KEN KIRBY

- There is still no cross country skiing due to lack of snow and the greens are being monitored for ice accumulation (so far in good shape).
- Aerating of fairways and roughs will begin as snow disappears as well as sweeping and cleaning debris on the course.
- There was an exhaustive shop cleaning in preparation for the new shop insulation.
- Updating of the shop and irrigation computers is planned as Windows 7 support is no longer available.
- The city has been contacted about possible signage in the corner of #5 and #6 to hopefully help decrease the number of incidents of cars taking out the fence in that area.

COMMITTEE REPORTS:

- Finance – TBK Bank update was given highlighting that although they have given us a LOC of \$150k plus another \$50k for business opportunities, no additional funding should be expected due to our debt coverage ratios. The first 2020 Finance Committee meeting is scheduled for February 18th with main objective to define the committee's role and meeting frequency. Topics to be addressed later by the committee include reengineering of the financial reports, seasonal budgeting, and addressing 2019 unfavorable gross margin budget variances for merchandise and F&B to name a few. Restructuring of the Treasurer's duties will be ongoing in light of the overlap with the Finance Manager's duties.
- Grounds – Bill Warren had nothing further to report beyond what Ken had already discussed.
- House- Karen Gallegos reported the walls downstairs damaged from water were repaired and new faucets were installed all for under \$2k. New carpet on the patio is scheduled for early May provided the temperature is above 50 degrees.
- Tournaments – Jesse Larson reported all tournaments have sponsors and the proposed schedule is being prepared for distribution by Karen. There is also interest from 2 other potential sponsors to support other events.
- Golf Operations – Michael Anziano gave a written report with an overall comment that although the course may be winter "dormant" golf operations are very active. Besides what was already discussed in the General Manager's report is that topics for member surveys identified are customer service levels, pace of play, course conditions & tournaments, Golf Simulator prospective use & desirability, merchandise selection, and F&B service and menu

options. Golf Ops task list include policy & procedures for staff development, Employee Handbook, employee orientation, F&B menu development, building a group sales plan for marketing corporate groups, fundraisers, outside tournaments, etc., and developing a marketing plan.

- Policy / Bylaws – Bob Therrell met with Amy M. with regard to bylaw / policy changes concerning her duties vs. those of the Treasurer. Bob commented he was very impressed with Amy’s knowledge and already positive impact on the club’s financial policies, procedures, and reporting which all work towards being able to manage the business better. Bob then in his commitment the Board be educated on the Bylaws, read from Section 4 about the chain of command about not micro-managing the personnel the Board has put in place.
- Junior Golf Foundation – nothing to report at this time.
- Ad Hoc Committee – Bill W. reported that the insurance claim is getting closer to a possible resolution.

UNFINISHED BUSINESS:

- Bob T. asked whether anyone forwarded Steve E. any documents on prior plans the Board has in hand concerning strategic studies / initiatives. Bryce said he sent the Master Plan and a business analysis review. Steve commented these were from some time ago so any more recent information is still appreciated. Marcia mentioned that the Board minutes would also have information on strategic initiatives.

CONSENT AGENDA: APPROVED WITHOUT DISCUSSION – NONE.

NEW BUSINESS:

- Point of Sale system: Michael gave the Board a quick demonstration on what both the front desk will see with the new ForeUp POS system. The tee sheet will be electronic now and populate data from the reservation so that check-in should go faster. The email campaign system was explained and will give the club the capability to market to specific categories of players, for example members and non-members. Highlights of the redesigned website were also shown. The site has an updated look however the current menu tabs have been maintained. Members will need to create a new profile and will have all the capabilities as now plus quite a few more, including being able to see their shop credits online. An email will be sent to all members prompting them when the system goes live. New features also include online tournament registration and cart reservations when reserving tee times.
- Karen requested that the Board members who haven’t signed the TBK signature cards see her afterwards.
- Upcoming Capital Expenditures: Shop upgrade, tee markers, and Point of Sale system which were all planned in the 2020 budget. Need for a new ice machine is under evaluation.
- Opening day: no official date as of yet although it is looking like the club will be in the normal timeframe of March 10 give or take a week. After the snow clears, Ken said the grounds crew needs 8-10 days to prepare.

ADJOURNMENT:

A motion to adjourn the meeting was made by Bob T. and seconded by Michael A. Meeting adjourned at 7:20 PM.

Respectfully submitted,

Marcia Baxter, Board Secretary