

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

Tuesday April 9, 2019

The regular meeting of the Board of Directors was held at Hillcrest Golf Club on Tuesday April 9, 2019. President Michael Brennan called the meeting to order at 7:00. A roll call was taken and the following Board members were present: Michael Brennan, Jack Morrison, Marcia Baxter, Susan Atzman, Michael Anziano, Jim Morehart, Bill Warren and Jessie Larson. Bryce Fauble was excused.

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

MINUTES:

Michael reported that the consent agenda items were added in the March 12 minutes as a revision. He asked for any other corrections. Susan Atzman noted that her opening statement in the Treasurers' report should be added to the minutes each meeting for the remainder of the year. Bill W. made a motion to approve the minutes with revisions noted, 2nd by Michael A. Minutes as revised 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.

The first speaker asked if the Board made a decision on the elimination of unlimited range ball pass or added another option for more balls at a higher discount. It was expressed that other members were unhappy about the elimination of the unlimited pass and that other clubs in the area offered them. Michael Brennan said that the Board did reconsider but decided not to modify the fees. More on the reasons why later in the meeting. Question was asked if there was a petitioning process for members to formally express their opinion on Board decisions. The Board replied there isn't a bylaw provision for that matter, however members could petition that the bylaws be changed to add such a provision.

A second speaker requested the member email list for which the Board replied it was not at liberty to hand that out due to privacy reasons. This speaker also expressed their continued displeasure at the new fees and that the club opened later than Dalton this year. The grounds crew replied the course had more snow coverage than Dalton and is the main reason for the late opening.

GOLF PROFESSIONAL'S REPORT: MICHAEL MCCLOSKEY

- Merchandise has been arriving daily but it is still 3-6 weeks away from being fully as stocked normally merchandise would have been ordered in the fall for spring. There will be a new fresh look to the Golf Shop.
- Staffing for the Golf Shop is ongoing and there is about 60% returning employees. 6 of 33 Food & Beverage candidates are now being interviewed with target opening by May 1. In the meantime, the Beverage Cart will be active and grab and go snack items will be available at the Golf Shop.
- Dalton has opened up participation to Hillcrest members in a CGA seminar that is being offered there on April 27 on the new rules. \$25 for breakfast at 8AM, 9-1 seminar. Additionally, a special \$50 rate for 18 holes for that day is available to all attendees.

GROUNDS SUPERINTENDENT'S REPORT: KEN KIRBY

- All the fairways have been aerated, taking 2 weeks. Tee boxes have also been aerated. Thatching also was needed to eliminate the crust on the turf.
- Irrigation system has been charged up and functional. Restrooms are operating except for the one behind #3 tee. All the accessories are out. Not much vole damage or mold to report so far.
- Hiring has been very successful and crew is in place.
- Will introduced Eric Dunn who is the new 2nd Assistant Superintendent and how pleased they are to have him in that position. This is Eric's 11th season with Hillcrest and highlighted his dedication, fortitude, and interest in Hillcrest.

TREASURER'S REPORT: SUSAN ATZMAN

Susan A. explained the financials will be somewhat confusing in 2019 due to the change in business structure. The confusion stems from an absence of cost information for the "shop" operations in 2018. Essentially, we will report revenue from prior year for carts, range, merchandise sales and food & beverage, however we do not have the associated cost data. This will not impact actual results for 2019 but will make comparisons to prior year in some cases non-sensical. As we go along in 2019 these anomalies will be called out. By 2020 all reporting will be standardized and variance analysis year over year will once again provide valuable information. If you have any questions as we go through 2019 please feel free to send questions to the BOD email or ask Susan directly.

- First quarter revenue is unfavorable to prior year by ~19% due to the 2019 season getting a very late start by historical standards. There was zero play at 3/31/2019. Expenses are tracking as expected. The grounds budget is favorable to prior year by ~22% due to savings on labor costs and repairs & maintenance. The operations budget is unfavorable to prior year by ~21% driven by the increase in admin salaries over 2018.
- Cash flow was impacted in Q1 by the paydown of debt of \$168K. This includes a \$144K payoff of our line of credit the first part of March as well as our normal debt service.
- Capital spending for Q1 was ~\$40K. This included the new range ball machine, 3 new utility carts for maintenance, a snow blower and window coverings in the Golf Shop area.
- Overall we are exiting Q1 with \$164K in cash.

UNFINISHED BUSINESS:

- DISCOUNTED RANGE PASSES: Michael B. proceeded to explain the Board's decision not to change the range card fee structure. The 77 unlimited range passes sold last year did not fully pay their own way, but were subsidized in part by the rest of the 500+ members. To keep costs down for all members, each part of the operation should avoid losses. The club will have more information on the cost structure and revenue once it has gone through 2019 and will evaluate whether we are covering all of our costs. Michael apologized for the Board having to make a decision that has made some members unhappy.

CONSENT AGENDA:

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|---------------------------------------|--|-----------------------|
| A. Description of Employee Privileges | B. Club Policies | C. Financial Policies |
| D. Hillcrest Leadership Chart | E. Herfort Norby Golf Architecture Site Visit Contract | |

Vote by show of hands approved the consent agenda unanimously.

NEW BUSINESS:

- Master Plan: Michael B. led a discussion on the Master Plan to gather opinion on where the club should direct the architect Norby in the near future. Improving the range as to more tee places, wider and longer were all mentioned as priorities, as well as maintaining the back practice area. Completion of tee box work was another priority. Course modifications as far as changing fairways, hole layout etc. as proposed in the plan was questioned as far as necessity, member benefit, and how capital \$ should be spent at this time except for where there are safety concerns.

From the discussion, Marcia B. made a motion for the Club to direct Norby in his next phase to revise the plan to include finishing the renovation of existing tee boxes that were not included before as they were planned to be moved, and improve the range without moving other holes or compromising the back practice area. Jack M. seconded the motion. Vote by show of hands was 7 in favor, 1 opposed so motion passed.

- Thrive Living Wage Employer: Michael B. reported that the Board was given a presentation of the Thrive! Employer Recognition Program for Living Wage at the retreat last month. This would require the employer to pay the most up-to-date living wage (\$13.25/hour) to those employees falling under the eligible definition. Discussion ensued about whether Hillcrest should apply to become a Living Wage Employer. Although there was agreement that the intent is the “right thing to do” quite a few Board members expressed their doubt as to the value to the Club to be officially a member of Thrive, and to commit to rules that another organization makes. Susan A. made a motion that we apply to become an “Aspiring Living Wage Employer” as defined by Thrive. As there was not a 2nd, the motion died.
- Bylaw Revisions: Michael B. thanked the bylaw committee for all their hard work in revamping the bylaws to reflect the new business model of the club as well as bringing them up-to-date and in-line with other non-profits. He also reported that some helpful comments were received on the proposed revised Bylaws from members which were incorporated into the revision. With no further discussion, Marcia B. made a motion to approve the bylaws as revised, 2nd by Bill W. A vote was taken with 7 in favor, none opposed so bylaws passed.
- Will Herz mentioned he met with Susan Kern at the course to reminisce. Thanks to Michael M. for making that visit comforting to her. There is a memorial for Rick planned at the course tentative June 1.

COMMITTEE REPORTS:

Budget/Finance: Susan had nothing further to report.

House: Bill Warren reported the cracks in the deck were repaired as best as possible. Front door stickers have been removed and weather stripping improved. Any suggestions are welcome from members for front door suppliers as two proposals were received so far. The sound system has been evaluated and now starting times can be heard in the locker rooms and the dining room.

Grounds: No report.

Tournament: Jesse Larson reported that the schedule was published. There is one less tournament this season as the club opening has been delayed. Details for the SKA sponsored tournament still being worked on. NTO signups are on par with last year.

Golf Operations: Jack Morrison reported he is having weekly meetings with Michael M.

Policy: Michael B. noted that with the bylaw committee completing their work, there wouldn't be much activity in this area in the near future.

Junior Golf: The next meeting will be after April 30.

Calendar Items: Next Board Meeting is at 7PM Tuesday May 14.

ADJOURNMENT:

A motion to adjourn the meeting was made by Jim M. and seconded by Bill W. Meeting adjourned at 8:55 PM.

Respectfully submitted,

Marcia Baxter, Board Secretary