MINUTES OF THE ANNUAL MEETING
OF THE
HILLCREST GOLF CLUB
NOVEMBER 10, 2015

The Annual Meeting of the Hillcrest Golf Club was held on Tuesday, November 10, 2015 at the Hillcrest clubhouse at 7:00 p.m.

Michele Peterson, President, called the meeting to order. The following Board members were present: Bryce Fauble, Mary Kay Aigner, Mark Gaughan, Brian Dommer, Barry Mason, Bob Therrell, Paul Wilson and Jack Morrison.

The following Hillcrest staff members were present: John Vickers, Ken Kirby and Karen Gallegos.

There were approximately 6 Hillcrest members present.

The Board Secretary, Barry Mason stated that between the proxies mailed in (177) 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 mailing in their ballots and proxies.

Copies of the minutes of the 2014 Annual Meeting were passed out to the members present. After time to review, Bob moved to approve the minutes as submitted with a second from Mary Kay. Motion passed.

I. REPORT OF OFFICERS:

A. President: First thanks to all of our staff – it has been a very busy year and we have asked a lot of our staff – the club wouldn’t be able to run without:

- Karen – as always, keeps us on track
- John and his staff – taking care of us on and off the course.
- Ken and Will and their staff – have worked countless hours throughout the renovation project.

Thank you!

Thanks to our Board members at the end of their terms: Barry Mason, Paul Wilson and Mark Gaughan. Thanks for your hard work throughout your terms, especially this last year as we worked on the renovation project.

It has been a busy year:

- Of course, the biggest project for the year is the course renovation project. The Club contracted with Kevin Norby as the architect and selected Aspen Construction for the project. The project started in mid-August and hopefully will be completed before the snow falls.
  - In order to finance the construction, the Club secured a construction loan which will convert to a 10 year permanent loan at FNB once the project is complete.
- In 2014, we entered into a contract with Verizon and the City of Durango for cell antennas on the clubhouse. We received the first payment in 2015. As part of the project, there will be a small controller building south of the clubhouse and also an enclosure for our trash receptacle.
- Last winter the upstairs ladies room was remodeled – what a difference – it looks great. Member Bret Jameson did the remodel.
• After several occasions of broken pipes and flooding, we are converting from a dry sprinkler system in the clubhouse to a glycerin system.
• Revised Cart Shed License Agreements, yet again. Some important changes in this round include:
  o Elimination of the applicant list.
  o Definition of immediate family as spouse and children under 26 living with member.
  o Requirement that the cart shed renter must be a member of Hillcrest in the current year.

We did not raise fees in 2015, with the exception of the coupon book.
• The coupon book has been a hit. We expanded and offered a ten 9-hole coupon book this summer, which was well received.
• The irrigation loan was modified from a five year variable (currently at 4.875%) to a 10 year fixed at 4.75%, providing some stability for future years’ budgets.

The Marketing Committee was especially effective this year.
• We continued with the Daily Dealz in the Herald.
• We offered more ads and specials in the Herald.
• Ads/coupons in the Summer Magazine.
• Kept our presence in the Welcome Center.

Other exciting things that happened this year include:
• Opened mid-February on a limited schedule.
• Tournament schedule was revamped a bit. Outside tournaments were reduced to 13 from 17, in order to provide more playing time for members and guests.
• Continued replacement of light bulbs to LED bulbs – thanks to the leadership of Paul Wilson. The LED lights will provide energy savings going forward.
• Performance evaluations completed for John, Ken and Karen.
• We requested that the City put up a guardrail on Goeglein Gulch Road near hole #15. Although the City said no for the time being, they will begin to study the situation.
• High school, middle school and community members cross country track meet was held on the course in September. Over 500 runners in an evening event. Amazingly, the next morning, there was little if any evidence that so many people had been on the course the night before.
• The Adaptive Sports players were with us again this year using our practice facilities once a week at no cost.
• Recycling containers were added in the clubhouse.

2016 should be a great year. The renovated course should provide a new experience!

The Board approved the 2016 budget at the October meeting. The budget included:
• No rate increases with the exception of the ladies locker and club storage fees. All lockers and club storage will now be $45. Additionally, there will be a push cart storage fee of $15 for those with lockers or club storage.
• Capital funding for a project related to lockers and club storage:
  o Ladies lockers to be remodeled.
  o North club storage to be remodeled – will be used for push cart storage and possibly some club storage units.
  o All lockers and club storage units will be rekeyed this winter to a master key system.
II. Secretary: Barry Mason, Board Secretary, presented the Secretary’s report. Barry said that he had made a lot of friends his year on the Board. He thanked the Board members for their hard work and the membership for their interest.

Barry reported that the Club had a total of 588 members for the 2015 season with 29 being new members. We also had 12 seasonal passes. We had 234 coupon book members with 11 of these being new. This compares to 615 members in 2014 with 15 being new members and 428 coupon book holders with 112 of these being new.

There were no changes to the Hillcrest Golf Club Policy manual.

In 2015 we had approximately 45 donation requests with 20 certificates redeemed.

III. Treasurer:

Brian Dommer, Treasurer, stated that he enjoyed working with the Board this year

Cash
In spite of the large dip in revenue, primarily the month of May, the Club has maintained an acceptable cash balance, which has allowed us to continue the clubhouse and course improvements. The low balance for the year so far was $220,000 in January. The Balance as of October 31, 2015 is $262,000; so we should be in a similar cash position this coming January. We also have a balance of $58,000 in our reserve account.

Loans

- A construction loan was put in place to fund the course improvements. The loan was modified to convert to an amortizing loan in June 2016. This will allow for a contingency if the work and expenses roll over to 2016.

- The line of credit was renewed. We have not accessed the facility in a number of years, but it was a low cost “insurance”, just in case of some financial crisis.

- The principal balance of the irrigation loan as of 9/30/2015 is $382,566. The original balance was $1,275,000. The loan matures in October 2025.

- The principal balance of the FNB equipment loan is $188,032. The original balance was $287,160. The loan matures on 12/16/2018

- No draws have been taken on the construction loan as of September 30, 2015.

IV. Grounds Superintendent’s Report: Ken Kirby

Ken stated that as another season winds down and we reflect back, it has been a very memorable year for everyone. The course opened for play on February 20th only to close again after 20+ inches of snow fell on the 22nd. We reopened for play on March 14th. As the season began to unfold, we encountered one of the wettest springs that the area had in many, many years. While it hampered play, it helped to set the course up for what we feel was the best year ever for not only course conditions, but also the overall health of the turf. The fairways were lush, the rough was tough, and the greens were good.
2015 also unveiled the major renovation plan for the future of the Club and as we begin to wind down the construction phase, we hope that everyone is enjoying the changes that have taken place on the front 9. As you may have seen, there have been some dramatic alterations to many of the holes on the front 9. We are sure that when the back 9 is completed, you will also enjoy those changes as well. That being said, we would like to thank all the players for their patience and support during this process. Keep in mind these changes are being made to make everyone’s golf experience more enjoyable for years to come. By Friday, we hope to be 90% complete and the cart paths will be addressed next spring.

At this time, I would like to thank Will Herz and the entire maintenance staff for another exceptional year on the grounds. Their dedication and hard work is very much appreciated and sometimes goes unnoticed. Without their efforts, the course could not be as good as it is – So THANK YOU. I would also like to thank John and his staff as well as Karen for fielding many of the questions and concerns not only about the renovation but also the day to day concerns that arise throughout the season.

Lastly, I would like to thank all the players who supported us this season and hope this support continues for many years to come. Thanks to all for another good season at the NEW and IMPROVED Hillcrest Golf Club.

III. Golf Professional’s Report: John Vickers

John stated that he has been here now for 10 years and the future looks good.

- The spring was bad, May especially due to the weather but June through August were the busiest that we have had in the past 5 years. The renovation has slowed down business this fall.
- The Junior Golf Program had about 100 kids – beginning, intermediate and advanced. We did extend the program in to the fall. A big thank you goes to Jim and Marilyn Fiala for all of their work on the junior program.
- Hillcrest supported the Durango High School and Fort Lewis golf teams.
- We modified the tournament schedule (thanks to Mary Kay Aigner) and the tournament participation was about the same as last year.
  - The Navajo Trail Open had a full field and approximately $12,000 went to the Junior Golf Foundation.
  - The Chili Pepper Challenge also had a full field and $1,000 was donated to charity.
- The On-line tee time system is working well and about 40% of our bookings are on-line.
- The pace of play had been pretty good overall.

John thanked the Board for their work over the year. Thank you to Ken and his staff – every year the course gets better. Also thanks to Karen.

John thanked his staff, especially Bud and Guy in the Pro Shop and Mickey for all his work in the kitchen. A BIG thank you to Jim Vickers for all his behind the scenes work.

John said that he is looking forward to 2016.

Miscellaneous:

Nothing to report.
V. **Election Results:**

Barry Mason presented the election results. The new Board members are:

Paul Wilson  
Michael Brennan  
Doddie Abeyta  
(The above are all three year terms)

Michele congratulated the new Board members.

With no further business, Bryce moved to adjourn with a second from Barry. Motion passed and the Annual Meeting adjourned at 7:34 p.m.

Respectfully submitted,  
Karen Gallegos, Office Manager