

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

Tuesday August 18, 2020

The meeting of the Board of Directors was held at Hillcrest Golf Club on Tuesday, August 18, 2020. President Bryce Fauble called the meeting to order at 5:28 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 and Jeff Thompson.

The following Hillcrest staff members were present: Ken Kirby, Karen Gallegos and Brett Wolf.

MINUTES:

Bryce asked if there were any revisions to the July minutes as written. As there were none, Bob T. motioned to approve them, 2nd by Jesse L. 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 comments.

GENERAL MANAGER'S REPORT: BRETT WOLF FOR MICHAEL MCCLOSKEY

- COVID-19 operational phase 2 has been going well. Check-ins have moved 100% back upstairs which helps on labor cost. F&B window has been open upstairs for 2 weeks resulting in an increase in sales.
- There were 3 junior golf camps this summer and 72 juniors attended. Camps were maxed out due to staffing vs. participant ratio COVID limits.
- All the college and student staff that were working have returned to school. Two other staff have been added to fill the void.
- The Club is researching and bidding on new internet service providers and phone system. Golf simulator options are also being reviewed.
- Starting August 31, the first tee time moves to 8AM as sunrise is coming later. Signs have been put up on the range as requested at the last Board meeting which is appreciated by the staff.
- KPI report was presented and tee time utilization remains high. Brett mentioned the rounds YTD are already at 31k which is 11.5k higher than they were at this time in 2019. Sales from carts, range and merchandise are trending upwards.
- The Board thanked Brett for his efficiency in his reporting.

FINANCE MANAGER'S REPORT: KAREN GALLEGOS FOR AMY MOODY

- Amy's report was sent in the packet and Karen asked if there were any questions. Clarification was given on the extra income which included the Verizon rental HGC receives and Junior golf camp fees.
- End of month cash balance is \$320k. Long term debt is \$1.0MM.
- Total income is \$1MM which is 11% higher than budget. Operating expenses are \$963k which is 7% higher than budget. \$33k of expenses are attributable directly to COVID which were not in the budget, otherwise expenses would be on target with budget. Net income is \$52k which is \$41k higher than budget.

- Net cash provided is \$246k, including PPP debt proceeds of \$146k. Long term debt principal payments are \$65k.
- Capital Expenditures – There were no expenditures in July. A Marshal cart was replaced for \$8,500 in August which was an approved capital budget item.
- PPP/SBA Loan Update – The application process will begin as soon as TBK has the online application ready.

GOLF SUPERINTENDANT'S REPORT: KEN KIRBY

- The entire course was fertilized on August 13 & 14. 13,500 pounds were used. Preventative fungicides are being applied to the greens due to the continued dry and hot weather.
- Greenside bunkers have been edged and weeded again to help with aesthetics as well as shape. Sand has been added to quite a few that needed it.
- There is still some sprinkler head issues due to the aging system. These repairs are minor but necessary. Ken remarked that each new sprinkler head costs \$220.
- Water has been consistent from the city and with the little bit of rain the course has rallied nicely.
- Greens continue to be the show piece as we are still receiving great comments from all of our guests.
- Grounds crew is getting ready for the club championship, senior championship, as well as the 2-person best ball tournaments in the next few weeks.
- Greens and tees will be aerated during the week of September 8th. Each 9 will be closed for 2 days to accommodate this.
- The entire crew is still doing an outstanding job keeping the course up during all the play we are getting on it.

COMMITTEE REPORTS:

- Finance – Brian D. reported the committee met again in August. The function of the FAM and the overall processes are now well defined. The review procedure by Frederick Zink and Associates was agreed upon which included revamping of the payroll testing and adding inventory testing. The budget process and timeline was also discussed and Brian led a discussion centered around delaying the budget process to later in the year. This would allow for more accurate data and a better estimate of the cash requirements needed. It would also allow management more time to devote to the process as the main work would be after the busy operational season. Brian made a motion to adopt the new budget timeline as presented, 2nd by Marcia B. Motion carried with 6 yes, 1 no vote.
- Further to the Finance Committee meetings, Bob T. presented additional changes to the Bylaws for the Board to consider in Sections 4 and 19 concerning the annual meeting and the term for Board members. It was agreed that Bob could go ahead and reword the sections while keeping with the agreed upon concept.
- Grounds – Bill W. reported that they would look at an equipment replacement schedule with associated cost which could be incorporated into the capital spending budget for the next 5 years.
- House - Karen G. gave a year-to-date summary of completed projects. Goals for the rest of the year include deciding what improvements we want for the dining and lounge areas as well as looking at patio furniture. The Board should consider adding more kangaroo storage especially due to the increase in players owning the motorized push carts. One option is reconfiguring the South Club storage area. The patio floor should be resurfaced next spring. Installation of a water cooler downstairs is also under investigation. Larger capital projects include remodeling downstairs restrooms / locker rooms and upgrading the kitchen appliances which were mostly acquired in 2006.
- Tournaments – Jesse L. reported that tournament participation is still strong. Tarpley has agreed to be the 2nd sponsor for the Club Championship alongside Coca Cola so that fills the void left by the previous sponsor which pulled out recently.

- Golf Operations – Michael A. reported in addition to M. McCloskey's report that the survey committee decided to conduct just two surveys this year. A brief survey would be done soon which would focus on things that could be quickly adjusted and a more comprehensive survey would be done at the end of the season. Michael handed out the proposed survey questions and the Board discussed the manner for which it could be distributed. Ideal is an online survey supplemented by paper copies available at the club.
- Policy – Bob T. presented proposed club policy changes which would align the wording to that of the new bylaws. Bill W. made a motion to accept the changes, 2nd by Jesse L. Motion carried unanimously by show of hands.

UNFINISHED BUSINESS:

- Bylaw Revisions: Bob T. reported the membership was given notice of the proposed bylaw changes that were agreed upon at the last meeting. Jeff T. made a motion to accept the revisions and become official in the bylaws, 2nd by Bill W. Motion carried unanimously by show of hands.

CONSENT AGENDA: APPROVED WITHOUT DISCUSSION

- Karen reported that a refund was given to Sue Pierce who has not been able to play at all this season due to health conditions. Bryce thanked Sue for the service she has provided as a Board member up until her recent resignation.

NEW BUSINESS:

- Bryce described the process for the election of three new Board members and asked for volunteers to be on the nominating committee. Michael A. and Bill W. volunteered and they will also solicit a non-Board member to be on the committee. The slate of maximum 9 nominees needs to be approved at the October board meeting.
- Bryce reported that the Adaptive Golf Program is being considered for insurance under the Hillcrest Insurance Policy. Adaptive did not run the program this year due to COVID and therefore as a non-profit did not renew their insurance policy. Karen and Bill W. are investigating the implications both financially (which Adaptive would pay) and other which would happen if the program were added as a rider on the policy.

CALENDAR ITEMS:

Next regular Board Meeting Tuesday September 15 at 5:30PM.

ADJOURNMENT:

A motion to adjourn the meeting was made by Bill W. and seconded by Jesse L. Meeting adjourned at 6:55 PM.

Respectfully submitted,

Marcia Baxter, Board Secretary