

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

Tuesday, November 13, 2018

Draft

The regular meeting of the Board of Directors was held at Hillcrest Golf Club on Tuesday, November 13, 2018 at 7:16 p.m.

Jack Morrison, President, called the meeting to order. A roll call was taken and the following Board members were present: Jack Morrison, Doddie Abeyta, Paul Wilson, Susan Atzman, Bryce Fauble, Marcia Baxter, Jim Morehart and Michael Brennan. Ryan Cleveland was excused.

The retiring Board members, Doddie Abeyta and Paul Wilson were excused. Michael Brennan was elected for a second term.

The new Board members, Michael Anziano and Bill Warren were seated.

The following Hillcrest staff members were present: Randy Kahn and Karen Gallegos.

ELECTION OF OFFICERS:

President: Jim nominated Bryce Fauble for President.
Susan nominated Michael Brennan for President
Nominations closed.
Both candidates gave the Board their reasons why they wanted the office.
A paper vote was taken and Michael Brennan will serve as the new President.

Michael took over the meeting as the new President. Before the other officers were elected, Michael handed out an organization chart listing the responsibilities of each office.

Vice President: Bryce nominated Jim Morehart for Vice President
Susan nominated Jack Morrison for Vice President.
Nominations closed.
A paper vote was taken and Jack Morrison will serve as the new Vice President.

Treasurer: Marcia nominated Susan Atzman for Treasurer.
Bryce seconded. Nominations closed.
Susan Atzman is the Treasurer by acclamation.

Secretary Jack nominated Marcia Baxter for Secretary.
Susan seconded. Nominations closed
Marcia Baxter is the Secretary by acclamation.

MINUTES:

The minutes of the October 9, 2018 Board meeting were approved as submitted.

TREASURER'S REPORT:

Net income has decreased from PY ~13%. This is driven by a decrease in revenue of \$23K or 3% followed by slightly higher expenses of ~\$10K. There are many puts and takes to these variances which will be discussed in detail at the January meeting and in the minutes once we have completed the full year. Currently net income stands at \$227K vs. \$260K for PY. Our cash balance at 10/31/2018 is \$314K which is favorable to 10/31/2017 by ~\$50K. The \$50K is driven by the pick-up in net cash from shop operations from August 21 – October 31, 2018. It should be noted that cash on the financial summary is stated at \$264K which does not include the cash from shop operations, therefore, it is understated by ~\$50K from our bank balance. A decision was made to not comingle the shop operations with club operations for 2018 presentations as the structure change was unexpected and not included in the budget or prior years' numbers. This is a cleaner way to compare and analyze 2018 results.

As stated above net income from shop operations to date is ~\$50K.

The Treasurer's report was approved as submitted.

PUBLIC PARTICIPATION:

This is time set aside for members to voice any questions, concerns or ideas to the Board and the Hillcrest staff.

Russell Dean from the Adaptive Golf Program gave a presentation to the Board. He is requesting the continuation of the AGP at Hillcrest for 2019. He hoped Hillcrest could still provide time, range balls, range and practice facility privileges and carts. The Board indicated a desire to continue supporting the AGP in 2019. A request was made to the Adaptive Golf Program to submit a proposal at December's Board meeting detailing all requirements to successfully run their program at Hillcrest. It is important that all parties understand needs and expectations for a successful program. The AGP also secured funds to purchase an ADA compliant cart for use by program participants and potentially other players with mobility needs who wish to participate in golf activities. This is a big win for the AGP.

UNFINISHED BUSINESS:

1. Cart Fleet Purchase: Dottie Abeyta presented the Board with the following information:
 - a. Club Car Carts
 - b. 4 year lease at \$34,140/annually with an optional balloon at the end of four years at \$75,625
 - c. Delivery of fifty 2019 Carts and one new Beverage Cart
 - d. Delivery on or about 2/15/19
 - e. Old carts will be traded in

After discussion regarding colors and options, Bryce moved that the carts be platinum with a black top and gray seats and the options be sand bottles and signage holders. Jack seconded and the motion passed with one no vote. The beverage cart will be blue.

The committee is working with Ken on range picker equipment.

2. Employment Agreements: After review of agreements for General Manager/Director of Golf, Course Superintendent, Assistant Course Superintendent and Office Manager, Bryce moved to accept the contracts representing a 2.5% increase for staff for the next two years, and according to the Board's September Offer Letter for our new General Manager/Director of Golf. Jim seconded the motion and the vote to approve was unanimous.
3. By-law Revisions: There was discussion that in addition to the current proposed changes there are many areas of the By-laws that still need to be reviewed/revise. It was decided the proposed revisions will allow immediate changes that need to be made and in 2019 the board will address rewriting the entire by-laws to conform to our new business structure and times. After further discussion, Bryce moved to accept the changes with a codicil that the By-laws be reviewed at the

Board's annual retreat in the spring. Susan second and the motion passed unanimously.

4. Electronic Ballet Summary: Doddie provided the Board with a summary showing 39% of the members voted electronically. Of the 25 paper ballots mailed (no emails available) 36% voted. There were 484 overall eligible voters. Doddie also provided the Board with suggestions for the future elections – things to do and things not to do. A big thank you to Doddie and her committee.
5. Line of Credit: The line of credit was used for the buyout of John Vickers. The Line of Credit had been approved by the Board in August 2016. Bryce made a motion to approve the use of the line of credit to fund the buyout agreement for John Vickers. Jack seconded the motion and it was approved unanimously.

NEW BUSINESS:

1. Bank Signatures: Bill moved that all Board officers (Michael Brennan, President, Jack Morrison, Vice President, Susan Atzman, Treasurer and Marcia Baxter, Secretary) be signers on the bank accounts plus Bryce Fauble, Board Member at Large and Karen Gallegos, Office Manager. Jack seconded and the motion passed. Doddie Abeyta and Paul Wilson are to be removed as signers on the Hillcrest Bank accounts.
2. 2019 Fee Structure: Michael passed out the 2018 application forms for membership, storage units and coupon books and requested that Board members review for discussion at the December Board meeting.
3. Cart Path Replacement: The asphalt cart paths and parking lot need to be addressed for improvement or replacement. Michael stated that he has talked to two engineers and Kevin Norby, Golf Architect, about the viability of surfacing over the existing paths/parking lot or removing the existing material and starting over. More research and information is needed before an educated decision can be made.
3. NTO – Hillcrest Junior Golf Foundation: The board received several inquiries regarding the removal of the bench signs. The board subsequently received important information about the terms of the agreements regarding bench advertising. The board realized it was improper timing to remove the signs and will replace them immediately. The board acknowledged the communication between the NTO board and the Hillcrest board is lacking. The HJGF has agreed to present at the next board meeting to educate the Hillcrest board on their mission and strategy as it pertains to Junior Golf, Hillcrest and the community at large. All board members were in favor of this next step as the NTO is an important part of Hillcrest's history and its' future.

COMMITTEE REPORTS:

Committee chairs and assignments will be made at the December Board meeting. Michael passed out the description and duties of each committee for review. Michael recommended that the Marketing Committee be eliminated since much of that responsibility will fall under the new General Manager and replace that committee with a Golf Operations Committee which will be responsible for efficient operation of player services. Jack moved to add the Golf Operations Committee with a second from Jim. Motion passed. Board members are to notify Michael which Committee they are interested in chairing or being a member of at the December Board meeting.

GROUNDS SUPERINTENDENT'S REPORT: KEN KIRBY

In the absence of Ken, Karen read the following report:

1. Fall fertilizer was put on the entire course.
2. Fungicide has been sprayed on tees, greens complexes and the first application on greens for snow mold protection. We will treat greens one more time before the snowfall starts.
3. All sprinkler heads have been trimmed throughout the course.
4. Most equipment has been stored for the winter. We will clean up greens as needed with greens mowers until closing.
5. Down to 2 staff members plus Ken and Will. That number will be lowered to one plus Ken and Will on November 16th.
6. All signage for advertising has been removed from the golf course per request.
7. Bathroom on #2 was closed mid-October to prevent freezing. #5 and #14 will be closed and winterized after the course closes on December 3rd.

8. Ball washers have been removed to prevent freezing.
9. The irrigation system is scheduled to be drained and blown out on Monday, November 19th.

GOLF PROFESSIONAL'S REPORT: RANDY KAHN

Randy Kahn passed out his status report for the Shop, Driving Range, Carts and Food and Beverage which included:

1. Inventory in the Shop as of Oct 31st was \$32,639.
2. There were 5,400 balls retrieved out of the lakes for a total income of \$324.
3. There will be a Golf Shop sale starting 11/9/18 (40%-60% off)
4. The range picker is working and they have started to winterize the golf carts.
5. The beer and hamburger specials were well received.
6. The Snack Bar was closed as of October 31st. Unused products will be returned to vendors if possible.
7. Total gross revenue for October was \$47,855.
8. Players are requesting that the Snack Bar be open in November in the future.

Randy thanked the Board for their support and the opportunity to be of service during this interim period.

MISCELLANEOUS:

Michael gave the Board members a "Calendar of Events". He stated he would like to continue this formal notification of events at every Board meeting.

1. December 7th – Kevin Norby will be here. There will be a 12:00 luncheon. Michael McCloskey will also attend the luncheon. Board members are invited to attend.
2. December 8th – 14th, Michael McCloskey will be meeting with different Board members and staff.
3. There will be luncheons with Michael McCloskey on December 10th, 11th, 13th and 14th. Board members are invited to attend. Places to be determined.

The next Board meeting is 6:00 PM on December 11th. Please note the earlier time. An open house meet and greet will start at 5PM for Michael McCloskey the new General Manager for Hillcrest. The Board decided to hold Board meetings at 6:00 p.m. on the second Tuesday of each month until daylight savings time goes into effect.

With no further business, Bryce moved to adjourn to Executive Session with a second from Marcia. Motion passed and the regular Board meeting adjourned at 10:05 p.m.

Respectfully submitted,

Karen Gallegos, Office Manager