

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

Tuesday, October 9, 2018

Draft

The regular meeting of the Board of Directors was held at Hillcrest Golf Club on Tuesday, October 9, 2018 at 7:00 p.m.

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

Jack Morrison, Ryan Cleveland and Marcia Baxter were excused.

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

MINUTES:

Michael moved to approve the minutes of the September 11, 2018 as submitted with a second from Doddie. Motion passed and the minutes were placed in the file.

TREASURER'S REPORT:

Overall net income is down 6% over prior year. The drivers are loss of Pro rent income and ~\$8.5K in transition expense. Neither of these items were budgeted for 2018. Course budget is over PY by ~\$16K, however, Ken expects this to fall in line with the budget by year end.

Cash is ~\$315K at the end of September. This is as expected.

Rounds were up 17% in September over PY as well as green fees and trail fees. Coupon book sales were also strong, exceeding PY September by \$2,250 or 58%.

The shop operation which is reported separately from the club netted ~\$30K in September. This amounts to ~\$40K net since taking over August 21st. While we are very pleased with the extra income it should be noted our expenses are artificially low for shop operations as we are limiting spending and have a reduced labor force for the remainder of the year. This reduced level of spending will not carry over to 2019 when we have normalized operations under our new management structure.

Budget approval for 2019 has been postponed until the December BOD meeting as we are keen to get input from our new GM before going final. We believe Mr. McCloskey has valuable insight about our added "shop" operations that will help us build a better budget.

PUBLIC PARTICIPATION:

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

- Kipp Schreiner, representing the Hillcrest Junior Golf Foundation, requested a slot on the agenda for the November Board meeting to present to the Board an overview of the HJGF. The Board requested there be a meeting prior to the Board meeting to go over the HJGF financials and requested that 990's be provided for that meeting.

After further discussion, it was decided the HJGF should present at the December Board meeting since Michael McCloskey, the new golf professional will be attending.

- Rich Hochlein – Rich stated he was impressed with the transition and the updated information provided to the members on a regular basis. He recommends the “Points of Interest” communication continue in the future.
- The email received with Ken Van Zees’ concerns will be responded to by one of the Board members.

UNFINISHED BUSINESS:

1. Member Appreciation: Doddie reported we sold 23 lunches and one discounted golf bag.

The cons to this promotion were:

A. 25% mark down on bags started earlier than the appreciation event dates and Doddie was not notified.

B. There was a hamburger special advertised on the putting green which was in conflict with our promotion.

C. There was the tournament with St. Columba and they were serving chicken.

The pros to this promotion were:

A. Good notification to the members

Recommendation to have 1-3 day promos per month in 2019 and it should be a part of the marketing program.

2. Election Update: Doddie reported Marcia Baxter has agreed to be co-chair for the Election Committee. All email addresses and members ID numbers have been entered into the election database. The election emails will be sent out Saturday, October 20, 2018 and must be completed by Saturday, November 10, 2018 at 5:00 p.m. Sunday, November 11th the ballots will be counted and certified.

3. Nominating Committee Report: Bryce presented the 2018 proposed candidate list for Board approval:

Michael Anziano

Oliver Boseman

Michael Brennan

Rich Hochlein

Jesse Larson

Rick MacEwen

Bill Warren

All candidates meet the required standards set forth in the By-laws of Hillcrest Golf Club.

Susan moved to approve the list of candidates with a second from Jim. Motion passed with one abstention.

4. Michael Brennan reported that Michael McCloskey has accepted the General Manager/Director of Golf position at Hillcrest. He will be moving to Durango after Thanksgiving and will be meeting with Board members, etc. through December. He will receive a moving allowance and a per diem for time worked in December. We are extremely pleased to have Michael McClowsky onboard and are looking forward to the next chapter of Hillcrest’s legacy.

Note: All salaries are confidential.

NEW BUSINESS: No new Business.

COMMITTEE REPORTS:

Budget/Finance

Nothing further to report.

House:	Michael reported space has been made in the telephone room for 4 more electric carts. He has put a combination lock on the door. The rest of the room is used for general storage for the club and junior golf. They will be doing a “dump” run later this month to get rid of old items that are no longer used.
Grounds	Paul reported the greens are getting better with the moisture and that they have enough grounds employees through the end of the season.
Tournament	Mike Goen, Tournament Chair, was not present but provided the Board with a complete list of information on the 2018 tournaments. This will be helpful for 2019 tournament planning. Thank you Mike.
Memberships	Membership total is 593 which includes 34 seasonal members and 83 new members. Coupon books sold to date are 410.
Policy:	Jim presented proposed changes to the Club’s By-laws. These will be sent to the membership for review and comment. Concern was voiced that the entire Board should be involved in any changes to the By-laws, it was recommended that a thorough review of the By-laws be made in 2019
Marketing	Ryan through an email stated that he and Sean from Animas Marketing were getting everything set up on Facebook so Ryan could do updates over the winter.

GROUNDS SUPERINTENDENT’S REPORT: KEN KIRBY

Ken reported the following:

- The aerated greens have healed and are in great shape.
- Grounds will be doing a low-tine plugging of the fairways.
- Mats will be placed on the driving range on Monday, October 15th. They have ordered tees to be used on the mats.
- Temporary tees will be designated on the par 3’s when handicap posting is over.
- Grounds will be aerating the entire course – 3-4 days to complete.
- The rain has definitely helped and along with the water from the City, the course should be ok for the rest of the season.
- Grounds will be releasing a few more employees as the season winds down.

Michael presented Ken and Will with some Tire Shine and Turtle Wax for the new mowers.

GOLF PROFESSIONAL’S REPORT: RANDY KAHN

Randy had two reports for review by the Board:

- The first report reviewed the Golf Shop, Driving Range/Carts and Food and Beverage status including inventory status (Shop only) \$34,940.27. Range ball loss continues. Total gross revenue for all departments for September was \$111,452.60

- The second report gave projected labor expense for the Shop, Carts and Snack Bar employees for the remainder of 2018.
- Randy also handed out a list of vendors for the shop and snack bar.

Randy's last day will be November 4th.

With no further business, Michael moved to adjourn and go into Executive Session. Doddie seconded and the meeting was adjourned at 8:25 p.m.

Respectfully submitted,

Karen Gallegos, Office Manager

Executive session went from 8:30 p.m. to 9:50 p.m. At 9:50, we ended the executive session and went back to the regular meeting.

Michael made a motion: To initiate new 2 year contracts for Ken, Will and Karen. Jim seconded and the yea vote was unanimous.

Respectfully,

Paul Wilson, Board Secretary