

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

**Tuesday, September 11, 2018**

**Draft**

The regular meeting of the Board of Directors was held at Hillcrest Golf Club on Tuesday, September 11, 2018 at 7:00 p.m.

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

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

**MINUTES:**

The minutes of the August 14, 2018 were accepted as submitted and placed in the file.

**TREASURER'S REPORT:**

The first financial update does not include the addition of "Shop" operations. That will be covered separately as we do not have historical information nor a budget cast for that side of the business.

Total revenue YTD is up ~\$5K. This is in spite of green fees being down ~7% for July and August compared to prior year. It is unclear why green fees revenue is down as paying rounds for the same period are up ~19%. A deeper analysis needs to be done to understand this variance. Expenses overall are up ~\$10K due to timing of course expenses for fertilizer, seed, etc. The expectation is course expenses will be on budget at YE. Transition expenses are ~\$8K YTD. About \$3K is travel and accommodations for the interview candidates, ~\$4K is application and fees for the liquor license. Net income is down ~\$10K overall from PY. It is unlikely with the lost green fees revenue and additional transition expenses that we will achieve our budget goals for 2018. Cash remains strong at \$333K in the bank. There was no capital spending in the month of September.

The "Shop" operation contributed ~\$10K to our bottom line for the period August 21-31 2018. This includes ~\$24K in revenue against ~\$14K in expenses. These results are **NOT** intermingled with the above results.

Memberships are about flat with PY. Total variance year over year is ~\$1K on \$300K of revenue.

Coupon book sales are running behind PY by ~\$3.6K.

As discussed above paying rounds were up over PY as were member rounds. The revenue deficiency will be looked at for understanding and appropriate action taken.

The Treasurer's report was accepted with the corrections of the variance and placed in the file.

**PUBLIC PARTICIPATION:**

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

- Laurel Waters voiced concerns that there was not sufficient communication with the members during this transition period. Jack stated that during this process, there were some items that could not be disclosed but through the periodic News Bulletins sent to members and Board meetings, the Board

made a conscience attempt to remain transparent throughout the transition process. Jack let Ms. Waters know some of her questions would be answered later in the meeting under Transition Reports.

- Email from B. Battani regarding suggestions to encourage more play by juniors. These were good ideas but the Board felt that the new Golf Pro should be involved in any changes for 2019.
- Email from George Zollinger regarding multiple tee times being made by one person. The Board feels that this does need to be addressed but again deferred any changes until new the Pro is on board. No-shows concern was also discussed since that can affect the Club's revenue. A rule change will be coming in the future regarding no-shows.

## **UNFINISHED BUSINESS:**

### 1. Transition Reports:

- A. Michael reviewed the candidate's schedules for the end of August interviews with Board members, staff and Club members. There were three interview sessions with each candidate covering finance, marketing, policy, grounds and house committees and tournament and membership committees. There were also three open house opportunities for members to meet the candidates and ask questions. There were approximately 15-20 people at each open house. The Board then selected the top candidate, 2<sup>nd</sup> and 3<sup>rd</sup> and is currently performing reference checks. Once this is completed and the top candidate accepts the position, an announcement will be made, probably by the end of September.
- B. Doddie reported that they were working with Yamaha and Club Cart for the replacement of our cart fleet and beverage cart. The committee is recommending a 4 year lease program. Once the committee has all the figures, it will be presented to the Board for approval with a delivery date of April 2019.
- C. Doddie reported that we were waiting for 5 departments to sign off before they will issue the liquor license. The City would not transfer the existing license – they are bound by state law which requires a final transfer of the business to the Club.
- D. Staff and members have taken an inventory of all stock in the Pro Shop and the Snack Bar (20-30 hours) Until the purchase agreement is finalized, there is a short term lease agreement with John Vickers which states that the Club will pay him the equivalent of 17 cart rentals per day for the use of the carts – payment capped at a maximum of one month. We are hoping to have the final agreement signed this week.

Hopefully this answers questions/concerns voiced earlier and if members have concerns or questions they should come to the Board meetings and the Board will address these concerns/questions.

2. Nominating Committee: Bryce stated that we have 6 members who have made a commitment to the Nominating Committee to run for the Board. The committee will continue to encourage members to participate.

3. Facebook: Ryan said that with Animas Marketing, Sean Moriarty, they will continue the current marketing plan including the Hillcrest Facebook account. Ryan will be responsible for the continued updating of Facebook.

4. Electronic Voting: Doddie will be sending out an email to again remind members of electronic voting for the Board of Directors this fall and to submit your email if it isn't already on file with the Club.

## **NEW BUSINESS:**

1. Split of Fees with DHS: Kirk Rawles sent a note to the Board that in the past, greens fees for the DHS Regional Tournament have been split between the Club and DHS and wondered if the Board would agree to continue this practice. After some discussion, Doddie moved that ½ of the greens fees go to DHS Golf Teams and ½ to the Club. Michael seconded and the motion passed.

## **COMMITTEE REPORTS:**

Budget/Finance

Nothing further to report.

House:

Michael reported that ALL maintenance and repairs for the year are completed.

Grounds

Paul reported that the fairways have been fertilized and the water supply has been good. We still have 6 "happy" crew members.

Tournament

Mike Goen reported that there were some concerns about the payout for the FNB tournament. These concerns (which were also addressed in a letter from Mary Kay Aigner) will be reviewed for next year. There were some problems with handicaps and flights with the Olde Tymer's tournament but Olde Tymer's wants to sponsor the tournament again next year. There are two new Club Champions this year – John Perrine, Men's and Dee Ray, Women's. There are 2 more tournaments yet this year – The Dave Peterson Memorial 3 clubs/putter and the Todd Sieger Shootout. It was recommended that future tournament reports include number of players, tournament fees collected and payouts. Jack thanked Mike Goen for taking over the Tournament Chair position for this year.

Memberships

Memberships at 559 with 83 new members. Coupon books at 382.

Policy:

Nothing to report.

Marketing

Nothing further to report.

## **GROUNDS SUPERINTENDENT'S REPORT:      KEN KIRBY**

Ken reported that the crew would be aerating greens today (the front 9) and tomorrow (the back 9). The course is in outstanding shape. The crew is down to 6.

## **GOLF PROFESSIONAL'S REPORT:              RANDY KAHN**

Randy handed out two reports for review by the Board:

- The first report reviewed the Golf Shop, Driving Range/Carts and Food and Beverage status.
- The second report gave projected labor expense.

Randy projects that the October labor budget will be about 20%-25% less than September.

With no further business the meeting was adjourned at 8:15 p.m.

Respectfully submitted,

Karen Gallegos, Office Manager



