

**Executive Summary Estero Country Club
Board Meeting Minutes
Monday, October 23, 2018, 8:00 a.m.**

Attending: Debbi Berit, Greg Bonnell, Claire Comstock, Tom Hochworter, Mark Mitchell, Craig Rollinson & Lisa Dillinger Staff. Attending via telephone; Karen Adair, Mike Kennedy (left the call at 10am,) Margo Newell,
Excused Absence: Mike Meersman.

Meeting was called to order at 8:02 a.m. by Claire Comstock.

Consent Agenda- Claire Comstock

- Consent Agenda –
A motion to approve the Consent was made and seconded, all in favor.

President's Report – Claire Comstock

- November All Member Meeting topics and speakers for presentation
 - Agenda items listed on flyer; Introductions, Update on Golf Course & Clubhouse Restoration, Financial Update, Q & A

Operations Report – Craig Rollinson, CCM, CCE

- Membership Changes –

New Member Approvals

Terry and Kathleen Russell	Silver NR 1 Fam	10.31
Frederick Smith	Social	purchased Ken and Barb Miller 9.25
Thomas and Elena Yorio	Silver Family	purchased home in B. Lago 9.25
Thomas and Allyson Fritz	Silver NR Fam	10.31
Philip Whitworth and Mary Deslaurier	Silver NF Fam	home is in Breckenridge 10.31
David O'Hara and Honora Ostermann	Silver Family	purchased Robert Jones 10.26
Dave and Lila Nichols	Ann Fam Tennis	11.10
Alan and Sandra Mason	Trial 2 months	1.1.19
Gary and Rhonda Vancastele	Trial 3 months	1.1.19
Michael Bolini and George Kotalik	Trial 3 months	1.1.19

Upgrades

Kevin and Sandra Harstad	Silver Family	Belle Lago from Sport 10.31
Joe and Kathryn Scott	Sport from Social	10.31
Ray and Genny Brown	Sport from Social	10.31
Michael and Carla O'Meara	Gold Family to 1 Fam	10.31
Neil and Jacqueline Salmon	Silver Family <56 Silver Family	10.31

Changes from Prev. Reporting

Jean Distler	Social	should have been Joan Mishler
M/M D. Riordan	Sport	live in Belle Lago sold 7.1 but ended up retaining membership

Resigns/Transfers

Ken and Barb Miller	Social	sold to Frederick Smith 9.25
Angelo Aldi	Social	transferred membership to new 8.31 Grand Palm Home-other grandfather
Robert Jones	Gold Widow	sold to David O'Hara 10.26
MM Robert Hickman	Ann Fam Tennis	resign 10.31

Dr. Krauter and Mr. Venable	Social	Belle Lago resign 10.31
Scott and Crystal Coleman	Silver NR <56 Fam	Resign 10.31
Alex and Constance Martin	Silver <56 Fam	Belle Lago resign 10.31
JP and Bettina Dave	Silver Family	to Social 10.31
M/M Paul Schnirring	Silver Family	Silver 1 Fam 10.31
Larry and Suzanne Vendel	Sport	to resign - decided to leave 10.31
Joe and Ann Kolshak	Silver Family	to Sport 10.31
M/M Gary Holstein	Gold Family	to 1 Fam 10.31
M/M Ken Besch	Gold Family	to Social 10.31
Joe and Ann Henningsen	Sr. Gold Family	to Sport 10.31
M/M Fullerton	Social	Belle Lago to resign 10.31
Dennis and Mary Lou Paul	Social	resign - grandfathered Vines 10.31
Karen Brown	Silver Single	resign moved to Esplanade 10.31
Martin and Beverly Deutschman	Social	transferred membership to Belle Lago 8.24
James and Bailey Martella	Sport	to Social 10.31
Bob and Christine Smith	Sr. Gold Family	to Sr. Gold 1 Fam 10.31
M/M Ray DeSantis	Sr. Gold 1 Famiy	to Social 10.31
Donald and Colleen Forsythe	Sport	to resign sold to Mike Gilligan 10.10
Gene Gillis	Silver Single <56 3yr	to resign relocated to TX 10.31
Laurie Keenan and Paul Whiteside	Social	to resign - Belle Lago 10.31
Thomas and Janice Taylor	Social	resign - grandfathered Vines 10.31
Peter and Diane Rottier	Sport	to Social 10.31
Stefan and Jacaqueline Schletter	Silver Family NR	to Silver Family purchased non member home 10.31
William and Nancy Rupp	Silver Family	transferred to Grand Palm new home 10.02

Motion to accept the October membership changes as presented was made and seconded, all in favor.

- Clubhouse Projects Update
 - grout repair, carpet repair, hardware on front door, gutters on the back of the clubhouse, faux beams in the dining room are left on the list.
- Holiday Fund Letter
 - After discussion the Board approved the Holiday Fund Letter as presented.

Finance Committee Report – Debbi Berit

- October 2018 Operating & Capital Financials –

Balance Sheet: The total amount borrowed from the Line of Credit through the first week of October was \$1,100,000. We have not needed to borrow any additional funds since. Our current operating cash balance is \$248k after the sales tax payment processed today of \$142k. The majority of the dues payments will be processed through the member ACH on the 25th and we'll receive numerous check payments the last few days of the month. Depending on the timing of the remaining \$800k in restoration project expenses, we may be able to pay off the line of credit in full in October. We would then borrow, if needed, funds from the line of credit in November until the remaining dues monies are collected in December.

The lease for the SunTrust Fitness Equipment Lease for \$98,731 was finalized in September since the equipment was not delivered until the end of August. The lease was added to the Equipment Loan Payable line item in September.

Summary Income Statement: With one month remaining of the fiscal year, we were \$189,284 favorable to budget. The reforecast (with August actuals) estimated our Net Operating Loss for the month of September to be

\$62,575; however, we ended the month with a Net Operating Loss of \$50,812 which was \$11,763 better than projected. The favorable variance was a result of increased F&B gross profit and less than anticipated staffing expenses within the golf shop, golf course maintenance, food and beverage, and clubhouse departments. The updated reforecast with September actuals estimates a Net Operating Profit of \$61,452 at October 31, 2018. The prior version had an estimated Net Operating Profit of \$70,383. Although we performed better than forecasted for the month of September, additional known expenses within the reforecast were updated for the remaining month of the year. The largest variable will be staffing expenses. We also have approx. \$2,600 in repair expenses to fix the fire alarm and backflow deficiencies, which were not included within the latest reforecast.

Administration: As discussed last month, we paid Liberty Mutual \$8,002 for premium due for the 2016/17 policy year, of which \$4,000 was accrued earlier in the year and \$4,002 was expensed during the month of September. In good news, we finally received the \$745 credit from Comcast for billing issues related to the install of the PRI lines in August 2017. All billing issues have been fixed.

Golf Course Maintenance: Total staffing expense was \$75,543 for the month and the reforecast had anticipated expenses of \$78,013 which reflects a positive variance of \$2,470. We received a rebate of \$1,060 from chemicals purchased at the beginning of the year and were not related to the golf course restoration. Water usage and expense continues to remain high and over budget. The water expense recorded in September was for August usage and amounted to \$10,745. The reforecast for the month of October was adjusted to reflect utility expenses like September.

F&B: The food and beverage loss for the month was \$3,598 better than budgeted and YTD the department remains better than budget by \$43,742.

Tennis: Tennis expenses were over budget for the month due to repair expenses totaling \$2,765 which included the cleaning of light posts on three courts and the repair of electric to the courts.

Clubhouse: Air conditioning repair expenses were over budget for the month due to an expensive repair of \$2,019 to unit #4 which is for the small kitchen. Cable television expenses were over budget for the month due to the install of Direct TV and the pro-rated expense for the first month.

Capital: Reviewed the remaining capital expenditures for October 2018. Items within the committed column are in process or purchases that will be executed prior to year-end. The \$15,700 place holder for HVAC replacement was removed as it is not anticipated to replace a unit during the month. We are projecting \$283,296 in capital expenditures and \$149,069 in capital leases for the 2017/18 year. We will review prior to year-end what amount of hurricane proceeds should be included within the capital calculation. We are also unsure if the anticipated sale of old golf course maintenance equipment will occur prior to year-end. RSM to be provided the Designated Capital amount to use for the audited financial statement presentation. It will be a negative number due to the restoration projects.

There were four capital expenditures during the month of September: the starter stand awning was installed for \$3,074, the initial expense of \$2,500 to inspect and diagnose the equipment was added into the cost of the recharge well pump and motor replacement, new golf shop merchandise display fixtures were purchased for \$8,722 and the install of the clubhouse awnings were completed for \$7,719. Net membership contributions continue to be updated as we learn of upgrades and closings with annual projections now reflecting \$329,953 versus a budget of \$152,300. The balance of the Construction in Progress account increased by \$166,178 to \$3,366,883 as of September 30, 2018.

Membership: The Membership Head Count worksheet indicates we have 290 golf members as of September 30, 2018. We are updating the membership count weekly as members can downgrade and resign up to the deadline of October 31, 2018. The current membership counts are: Through October 18, we expect to have 324 Golf, 50 Sport and 166 Social members as of October 31. The 2018/19 budget had estimated we would have 315 Golf, 50 Sport and 167 Social members as of October 31. Through October 18, we expect to have 308 Golf, 50 Sport and 170 Social members as of November 1. The 2018/19 budget had estimated we would have 296 Golf, 53 Sport and 177 Social members as of November 1. Operating dues are projected to be \$72,429 better than budget and capital dues \$19,303 better than budget.

New Business:

2018 Restoration Project and Financing Update: Discussed the Project Summary dated 10/12/18. The report shows that we have approximately \$70k remaining in contingency and approximately \$828k remaining as payable to vendors to complete the project. Neither project will be 100% completed by year-end and discussions have been held with RSM on how to handle the accounting of this. Portions of the project that are complete will be removed from the construction in progress account to their appropriate asset account. Items that are incomplete will remain in the construction in progress account until completion. We have a couple of outstanding items within the clubhouse project including replacing the front door hardware and changing out some downspouts and gutters on the steep roof over the dance floor area which will prevent soil erosion/washouts with heavy rains. Outstanding golf course items will be landscaping (TJ won't know what the additional needs are until he completes the initial install), the GPS mapping of the irrigation system (the county does a flyover annually early in the year and the new aerial map will not be available online until June 2019), fountain repairs (specialists are having difficulty isolating the issue), and the hole #2 landscaping. Dana to make an accrual for the GPS mapping and the hole #2 landscaping since the costs are known.

Other: Discussion ensued on how best to ensure TJ has the funds to complete the landscaping as needed and any additional golf course items that may arise after year-end. It was decided that any remaining project contingency, currently \$70k, should be carry forwarded to the next fiscal year.

- Motion on Carry Over of Golf Course Restoration Contingency

The Finance Committee hereby recommends the use of the remaining contingency of the 2018 Golf Course Restoration Projects of approximately \$70,000 to be carry forwarded into the next fiscal year for use for landscaping and other golf course needs associated with the project.

A motion to approve the Finance committee recommendation on use of the remaining contingency dollars as stated above was made and seconded, all in favor.

- Motion on 2018 Operating Profit

The Finance Committee hereby recommends any remaining 2017/18 operating profit at year-end (currently estimated at \$60,000) be reclassified to capital reserves for the fiscal year 2018/19.

A motion to approve the Finance committee recommendation to reclassify 2017/2018 operating profits at year-end to capital reserves for 2018/2019 as stated above was made and seconded, all in favor.

Fitness Selection ad hoc Committee – Tom Hochworter

- Committee Update
 - Television programming issues are being addressed, checking on running them on analog vs. HD
 - Add more signage about wiping down machines

Golf Course Restoration Ad hoc Committee Report – Greg Bonnell

- Project Update – Everything is coming together. Clarke construction has completed their punch list.

Grievance Committee – Margo Newell

- 2 members walking on the golf course. Letter has been sent.

Legal and Bylaws Committee Report – Claire Comstock

- Bylaw Revisions & Timeline – The Board continued their discussion on proposed revisions.

Objectives

- To modify/amend bylaws in a way that reflects best current practice and addresses areas of major concern.
 - Fees, assessments and voting
 - Membership classes and privileges
 - Governance (terms, participation)

- To simplify bylaws
 - Address awkward wording and redundancies
 - Eliminate provisions that are better served in other places such as rules or administrative policies

Long Range Planning Committee Report – Mark Mitchell

- Meetings with Heatherwood & SeaGate scheduled for Nov. 2, 2018.

Membership Committee Report –

- Revised Club Logo –
 - After discussion, the Board decided to keep the color scheme we currently have and add the new design to our file of choices.

Tennis Committee Report – Tom Hochworter

- Committee Update
 - The Shed for equipment has been approved in next year's budget, \$30,000. Mr. Hochworter to present location, landscaping, etc. to the Board.

Adjourn – Motion made to adjourn at 12:16 pm was made and seconded by, all in favor.

Next scheduled meeting: Tuesday, November 12, 2018 at 8:00 a.m. (Followed by Opening Ceremony and All Member Meeting. Board will reconvene after the All Member Meeting.)