

Executive Summary Board of Governors Meeting Minutes

Monday, April 20, 2020 8:00am

Attending via Zoom – Debbi Berit, Claire Comstock, Don DiBrita, Mike Kennedy, Mike Meersman, Mark Mitchell, Tom Spaeth, Ron Rosselot. Bill Buhl absent.

Meeting was called to order at 8:06 by Mrs. Comstock

President's Report – Claire Comstock

- Approval of March 23, 2020 Board of Governors Minutes
A motion to approve the March 23, 2020 minutes was made and seconded, all in favor.
- Confirmation of E-mail Board Motion and Votes
 1. March 24: Restrict all guest play until further notice with a start date to be determined by the GM with consultation of department heads: Motion approved.
 2. March 24: Mandatory \$1.00 Service charge on all tee times: Motion approved.
 3. March 25: Accept Committee Slates: Motion approved.
 4. March 25: Approve ECC Emergency Management Plan: Motion approved.
 5. March 27: Approval of Long-Range Planning Committee roster: Motion approved.
 6. April 2: Golf operations to remain open under Governor Executive Order: Motion approved.
 7. April 2: Tennis Operations close April 3-April 30: Motion approved.
 8. April 3: ECC commit to paying full pay to all non-essential employees through the mandated April 30 date. Motion approved.
- Committee Charter Creations
The Board discussed creating Charters for each committee. H &E was presented.

Finance Committee Report – Debbi Berit

- Review March 2020/YTD Financials
Balance Sheet: Operating Cash balance of \$1,621,638 includes the \$1,500,000 loan. The Capital Reserve balance is \$869,729. The first loan payment of \$125,000 was taken out of the Capital Reserve account in January. The March Capital activity of \$108,286 will be moved from the operating account into the Capital account in April.

Summary Income Statement: The Net Operating surplus for the month was \$9,909 which was \$44,086 unfavorable to budget. This was due to the COVID-19 pandemic. All operations changed mid-March, including no dine in, just take out, no guests on the course, one member per golf cart and no crossovers. This had a significant impact on the financials in March, which will continue into at least April.

Dues: Dues revenue was close to budget, except for Sport. The Sports dues were capped after we did the budget, so we will be short every month this year.

Administration: The Administration expenses were \$2,087 less than budget in March. The unbudgeted payroll fees were \$943 and the were offset by the CSI rebate for the month of \$570.

Membership & Marketing: Membership operated \$2,874 worse than budget in March.

Golf: Revenue, excluding the Invitationals, was \$15,448 less than budget. This was directly related to the COVID-19 pandemic. The Men's Invitational netted \$11,288 in the golf department for the month of March. Total golf rounds for the month were up 4.05% from 2019. Cart rounds were down 31.4% while trail fees were 19.8% higher for the month compared to 2019. Golf merchandise sales were \$142 less than budgeted for the month and \$8,800 more than budget for the year. The surplus of \$54,630 (excluding Invitationals \$10,953) in golf was \$8,953 less than the budget. The YTD surplus of \$314,136 (excluding Invitationals \$11,961) in golf is \$37,197 more than the budget.

Golf Course Maintenance: The expenses in maintenance were \$113 more than the budget in March. The overage in contract labor was offset by savings in payroll.

F&B: Food sales were \$42,217 less than budget, and beverage sales were \$26,581 less than budget for the month of March. This department was also affected by the COVID-19 shutdown. The dining room closed on the 15th and all food went to-go starting on St. Patrick's Day. Gross profit was \$23,207 less than budget. The total deficit of \$50,514 was \$37,133 more than the budget.

Tennis: The tennis department operated \$1,491 better than budget for March.

Clubhouse: The maintenance department operated \$3,504 worse than budget for March. Year to date maintenance is operating \$9,706 worse than budget. This includes \$8,638 overage in air conditioner repairs.

Capital: There was no Capital additions in March.

Membership: The Membership worksheet indicates we have 330 golf members as of March 31, 2020. In addition, there are 171 social members and 45 sport members. As of today, we are at the 325 golf member cap. If a non-resident wants a membership, we are going to take an application and a check from them to hold a spot, but they will be told that we do not know what neither the membership fee nor the dues will be when their membership turn occurs.

- Review April Forecast regarding COVID-19

The original April projection had an operating surplus of \$50,306. The new projection, due to COVID-19 has a surplus of \$825. The original annual budget had an operating surplus of \$105,056. The updated projection has a surplus of \$81,496.

Through April 12th greens fees/cart fees/merchandise had revenue of \$18,369 with a total month of April projected revenue of \$27,104. Food and beverage has \$82,931 in revenue through April 12th with a budget of \$59,904 for April. The Market has \$6,600 in revenue through April 12th with a projection of \$10,200 for April.

- Update of Federal COVID-19 Programs

We do not qualify for the Payment Protection Program (PPP) because of our status as a 501c(7). We have put our name on the wait list with SunTrust, but nothing is going to come of it. In addition, if you do take the PPP you become ineligible for other programs.

The Economic Injury Disaster Loans Grant (EIDL) is a loan at 2.75%-3.75%. At this point we do not think we need a loan, however we will further investigate to see if we can apply for the \$5,000 grant.

- Non-Essential Employee pay status for May
Coronavirus Aid, Relief and Economic Securities Act (Cares Act-) you can receive up to a \$5,000 per employee credit as a retention credit. We have applied for this and there was a tax savings in the first payroll run of \$15,339 in cash. In addition, the Employee Retention Credit (ERC) was applied in the current payroll and gave us a 2nd quarter tax credit of \$46,212. Paylocity estimates another \$27,635 in credits for the ERC towards the 2nd quarter payroll tax returns. We are also receiving some other credits for FFCRA. This totaled \$3,910 in additional credits on the current payroll.
Non-essential employees being paid thru April 30 right now. If executive order is extended to May 15, we will pay non-essential employees through that time. After discussion, it was decided to wait on the next Governor's order.
- Market Beer and Wine orders to be included in member's food minimum – After discussion, the Board decided to include the Market Beer and Wine orders in the member's minimum.

Operations Report – Joseph Iafe

- Review 2020 Golf Course Action Plan
Action Plan on Latitude-36 roughs not responding to agronomical practices was presented.
- Summer Dining Addition/Analysis
Committee will discuss at the next H&E meeting in May.
- Questions/comments on General Manager Report
Deep cleaning being done now, which could provide us the opportunity to open one of weeks we are closed in August.

Long Range Planning Committee Report – Don DiBrita

- Ad Hoc, Construction Committee roster approval
Mark Mitchell, John Kopton, Dan Lawrence, Bob MacDougall, Walter McCarthy, John Sotebeer
Joseph Iafe, Dan Newman, Wilton DeLaCruz, Walter Crawford (Heatherwood Rep.), Adrian Karapici, Architect and Interior Design Team
A motion to constitute the committee was made and seconded, all in favor.

Membership Committee Report – Mike Meersman

- April Membership Changes for Approval
2019-2020 – last updated April 13, 2020
- | New Members | Category | Comments |
|--------------------------|-----------------|----------------------------------------------------------|
| Koshliek, John and Vicki | Silver Family | Purchasing social home in Fairway Bend |
| Lovick, David and Nancy | Silver <56 | Purchase social home in Grand Palm.
Have 1 dependent. |

Wedewer, Chris and Sandra	Sliver <56	Purchase Golf home in Silver Oak. Have 1 dependent. Seller maintained membership.
Stare, Patricia	Social	Purchased golf home. Seller maintained membership.

Upgrade

Allen, Ron	Silver Single	From Social
Fritz, Tom & Allyson	Silver Equity	2 Golfers From single family

Resign

O'Connor, Sean
Purniton, Linda and Carl

Change

Young, Thomas and Jayne	Non-resident	Silver Family Home on market 8481-2 Southbridge. Move to Belle Lago.
O'Meara, Mike and Carla	Non-Resident	Gold Family Moved to Belle Lago.

A motion to approve the April membership changes was made and seconded, all in favor.

- Initiation fees were discussed.

House and Entertainment Committee Report – Tom Spaeth

- ***A motion to add Chris Zeo to the committee was made and seconded, all in favor.***

Greens Committee Report – Mike Kennedy

- Our water treatment plant had some mechanical difficulties in March that lasted for two weeks and they were not able to supply their users with water and with the hot temperatures, caused challenging conditions.
- Sea Wall on #14 has been delayed.
- The USGA will be conducting a ½ consulting visit to provide assistance on the Latitude36 grass.

Racquet Committee Report – Bill Buhl

- Tennis facilities were closed on April 3 due to the coronavirus.
- Tennis staff will be on Wednesdays to perform court maintenance to protect the Club's assets – the Tennis Courts.

Golf Committee Report – Mark Mitchell

- Men's Invitational held on March 5-7 with 66 teams.
- Employee Scholarship Fundraiser was held in March with 92 participants and reported record funds were raised.
- The Club Championships were held as scheduled. Mark Mitchell is the Men's Club & Beth Wardlaw is the Ladies Club Champion.

New Business

- Leadership Project – Ron Rosselot

A motion to constitute an ad hoc Leadership Committee to include Mike Lanciotti, Diane Yurkewicz (past Board Members) Kay Jenkins, Wendy Bazemore, Mike Gilligan was made and seconded, all in favor.

Motion to adjourn at 11:47am was made and seconded, all in favor.

Next scheduled meeting: Board Meeting May 12, 2020 at 8:00 am