

Executive Summary Board of Governors Meeting Minutes

Tuesday, May 12, 2020 8:00am

Attending via Zoom: Karen Adair, Debbie Berit, Claire Comstock, Don DiBrita, Mike Kennedy, Mike Meersman, Mark Mitchell, Ron Rosselot, Tom Spaeth; Joseph Iafe (GM), Dan Newman (Dir. of Finance), Lisa Dillinger (staff)

Mrs. Comstock called the meeting to order at 8:02am. She welcomed Mrs. Adair to the Board.

President's Report – Claire Comstock

- Approval of April 20, 2020 Board of Governors Minutes
Motion made to approve the minutes from the April 20, 2020 Board Meeting, seconded, all in favor.
- Approval of April 27, 2020 Board of Governor Minutes
Motion to approve the minutes was made and seconded, all in favor.
- Confirmation of E-mail Board Motion and Votes
 1. April 21, 2020: Relax Sport Membership cap of (40) rounds between January 1 and April 30: Motion made and seconded; Approved
 2. April 27, 2020: To appoint Jeff Adair to the golf committee replacing Karen Adair: Motion made and seconded, Approved
 3. April 27, 2020: To appoint Karen Adair as Chair of Racquets/Lifestyle replacing Bill Buhl: Motion made and seconded, Approved
 4. April 27, 2020: To appoint Karen Adair to serve on Grievance Committee replacing Bill Buhl: Motion made and seconded, Approved
 5. April 28, 2020: Unlimited golf for Social Members, May 1 through September 30: Motion made and seconded, Approved
 6. April 29, 2020: To approve grievance letter, Motion made and seconded, Approved

Finance Committee Report – Debbi Berit

- Review April 2020/YTD Financials

Balance Sheet: The balance sheet was reviewed first. Operating Cash balance of \$1,384,647 includes the \$1,500,000 loan. The Capital Reserve balance is \$959,997. The first loan payment of \$125,000 was taken out of the Capital Reserve account in January. The April Capital activity of \$104,784 will be moved from the operating account into the Capital account in May.

Summary Income Statement: The Net Operating surplus for the month was \$51,096 which was \$790 favorable to budget. This was primarily due to the \$45,558.in CARES Act payroll tax credit that we received from the government. The revenue missed budget by \$90,470 however, the gross profit was \$68,338 below budget. Excluding the tax credit, the payroll was \$20,733 less than budget and expenses were \$3,836 below budget. Operations, excluding the tax credit, had a \$6,538 surplus for the month of 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. The Golf dues increase for the month will offset the shortage in Sport.

Administration: The Administration expenses were \$8,079 less than budget in April. This was mostly due to the \$6,188 payroll tax credit. The unbudgeted payroll fees were \$887 and the were offset by the CSI rebate for the month of \$580.

Membership & Marketing: Membership operated \$302 better than budget in April. This includes a \$1,772 payroll tax credit. This was offset by a timing difference in advertising costs.

Golf: Revenue, excluding the invitationals, of \$86,777 was \$41,706 less than budget, however, \$34,000 of that was due to not allowing any guests. This was directly related to the COVID-19 pandemic. The payroll tax credit in Golf was \$6,943. Total golf rounds for the month were up 14.6% from 2019. Cart rounds were down 37.3% while trail fees were 33.8% higher for the month compared to 2019. Golf merchandise sales of \$21,409 were higher than the reforecast but lower than budget. Year to date merchandise sales are \$1,209 more than budget. The surplus of \$28,331 in golf was \$29,048 less than the budget. The YTD surplus of \$354,428 in golf is \$20,110 more than the budget.

Golf Course Maintenance: The expenses in maintenance were \$4,678 less than the budget in April. The overage in contract labor was offset by savings in payroll and the \$6,956 payroll tax credit. Water and electric costs were high due to the extreme dry conditions and the need to pump more than was expected. There were three major line breaks leading to higher irrigation repairs than were budgeted.

F&B: Food sales were \$30,234 less than budget, and beverage sales were \$20,483 less than budget for the month of April. This department was also affected by the COVID-19 shutdown. The dining room has been closed since March 15th and all food went take-out and delivery starting on St. Patrick's Day. The virtual grocery store netted \$5,798 in revenue for the month, however, this was designed as a service to membership as well as the front of house staff, so it operated at a 99% margin. The payroll tax credit of \$19,296 as well as the \$13,186 reduction of payroll helped to offset some of these losses. The monthly deficit of \$9,641 was \$11,998 better than budget. The year to date deficit of \$124,266 is \$24,582 greater than budget.

Tennis: The tennis department operated \$1,811 better than budget for April. This was due to a \$2,040 payroll tax credit. This credit was offset by a \$2,500 electrical wiring repair at the tennis facility.

Clubhouse: The maintenance department operated \$1,835 better than budget for April. This included a \$1,364 payroll tax credit. Year to date maintenance is operating \$7,871 worse than budget. This includes \$8,688 overage in air conditioner repairs.

Capital: There were no Capital additions in April.

Membership: The Membership worksheet indicates we have 334 golf members as of April 30, 2020. This is an increase of 4 memberships in April. In addition, there are 168 social members (down 3 social resale who converted to golf memberships) and 45 sport members. As of today, we are over the 325 Golf member cap.

AR Aging: The aging report only has 3 names this month, and 2 of them have made partial payments already. It was recommended Per Rule II.3 to suspend the other member, since there is history of non-payment and they have not returned phone calls or e-mails. Rule II.3 If full payment of a member's account statement will not be made within sixty (60) days of the date of its rendition, the credit of the delinquent member, and the rights, privilege and license of membership for such member and his or her family and guests to use Club properties and facilities will automatically be suspended until such time as all indebtedness has been paid in full.

- Review May Forecast regarding COVID-19
May projection was discussed. The original May projection had an operating surplus of \$9,914. The new projection, due to COVID-19 has a deficit of \$22,539. This is due to not allowing

reciprocals and guests on the golf course in May. They account for \$25,000 of the revenue in May. The June to October budget has not been reviewed or adjusted due to the pandemic.

- Update of Federal COVID-19 Programs: PPP, EIDL and Employee Retention Credits under CARES ACT
- Approval of Wells Fargo Renovation Loan
The capital projection, as it relates to the renovation project was discussed.
After discussion, it was decided to go ahead with signing the commitment letter with Wells Fargo,
A motion to proceed with executing the 3 loans with Wells Fargo was made and seconded, motion passed.
- Discussion on resuming guest play resulted in the following:
Motion to resume golf play for member guests and family guests effective immediately, was made and seconded, all in favor.
Motion to resume tennis play for member guests and family guests effective immediately, was made and seconded, all in favor.

Operations Report – Joseph Iafe

- ECC 3-Phase Plan to Reopen (25%; 50%, 100%) - *Plan to reopen once we can reopen at 50%.*
- Questions/comments on General Manager Report
Open an extra day for dining once open this summer – Thursday?
Are we going to continue takeout once open?

Long Range Planning Committee Report – Don DiBrita

- Ad Hoc Design Committee to be created.

Membership Committee Report – Mike Meersman

- April Membership Changes for Approval

New Members

Name	Category	Comments
Koshliek, John & Vicki	Silver Family	Purchasing Social home in Fairway Bend
Lovick, David & Nancy	Silver <56	Purchase Social home in Grand Palm, 1 dependent
Wedewer, Chris & Sandra	Silver <56	Purchase Golf home in Silver Oak. 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 2 Golfers	From Single Family

Resign

O'Connor, Sean
Purinton, Linda & Carl

Change

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

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

House and Entertainment Committee Report – Tom Spaeth

- Committee will be planning entertainment and events as usual for the 2020-21 season.

Greens Committee Report – Mike Kennedy

- Sea Wall on #14 is delayed
- Summer Annual flowers have been installed
- South Florida Water Management District has issued a water shortage order that imposes restriction for golf courses in Lee County effective April 25, 2020. Reduce irrigation by 15% on monthly allowance. We are using 100% reclaimed water so the restrictions do not apply to us at this time.
- Preventative application of insecticide was put down on May 12th.

Racquet Committee Report – Karen Adair

- Clay added to low lines before reopening. Weekly court rolls being done.
- Fence hardware replacement project continuing.
- Wiring on Court #2 has been repaired.

Golf Committee Report – Mark Mitchell

- Tournament Committee met last week and will go over the calendar with the Golf Committee next week.

Ad hoc – Leadership – Ron Rosselot

- Leadership Committee Report
Committee to present recommendations at the August 2020 Board meeting.

Old Business (10:20 – 10:30)

- Committee Charter Updates

New Business

- Renovation Update/Membership Communication
Include Finance Update

Adjourn

A motion to adjourn the meeting at 11:38am was made and seconded, all in favor.

Next scheduled meeting: Board Meeting June 23, 2020 at 8:00 am