

Executive Summary Board of Governors Meeting Minutes

Tuesday, August 25, 2020 9:00am

Attending via Zoom: Karen Adair, Debbi 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 order at 9:07am.

President's Report – Claire Comstock

Mrs. Comstock took a moment to thank Joseph and the staff for their efforts in getting us through this difficult pandemic time, they should be very proud.

- Approval of July 21, 2020 Board of Governors Minutes
Motion to approve the minutes from the July 21, 2020 meeting was made and seconded, motion passed.
- Confirmation of E-mail Board Motion and Votes
 1. July 22, 2020: To accept the COVID-19 Task Force recommendation surrounding the Tennis department COVID-19 positive diagnosis.
Motion made, seconded, approved
 2. July 30, 2020: To accept the COVID-19 Task Force recommendation surrounding Equity Golf Member testing positive for COVID-19.
Motion made, seconded, approved
 3. August 12, 2020: To retain GSI search (Ned Welc) to assist the Club in recruiting a replacement superintendent.
Motion made, seconded, approved

Finance Committee Report – Debbi Berit

- Review July 2020/YTD Financials

Balance Sheet: The balance sheet was reviewed. Operating Cash balance of \$822,649 includes the \$1,500,000 loan. The Capital Reserve balance is \$1,015,291. The first loan payment of \$125,000 was taken out of the Capital Reserve account in January and the second \$125,000 payment was in July.

Summary Income Statement: The Net Operating surplus for the month was \$95,672 which was \$113,317 favorable to budget. This was due to the \$106,240 in CARES Act/Employee Retention Credit (ERC) payroll tax credits that were received from the government in July. The revenue missed budget by \$6,952. Operations, excluding the tax credit, had a \$10,568 deficit for the month of July, which was \$7,077 better than budget.

Dues: This 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 \$18,119 less than budget in July. This was mostly due to the \$14,755 payroll tax credits. The unbudgeted

payroll fees were \$884 and they were partially offset by the CSI rebate for the month of \$363.

Membership & Marketing: Membership operated \$2,741 better than budget in July. This includes \$4,225 in payroll tax credits.

Golf: Revenue of \$71,247 was \$2,414 more than budget. The payroll tax credits in Golf were \$6,200. Total golf rounds for the month were up 52.3% from 2019 and guest rounds were down 2.6%. Cart rounds were up 23.9% while trail fees were 65.7% higher for the month compared to 2019. Golf merchandise sales of \$9,523 were \$1,023 more than budget. Year to date merchandise sales are \$338 more than budget. The surplus of \$48,114 in July was \$22,569 more than the budget. Excluding the tax credits, the surplus was \$31,559 which exceeded budget by \$6,014. The YTD surplus of \$472,971 in golf is \$56,248 more than the budget. Excluding tax credits of \$36,738 the surplus of \$436,233 is \$19,510 more than budget.

Golf Course Maintenance: The tax credits in golf maintenance for July were \$16,585. Excluding the tax credits, the \$161,925 in expenses were \$7,096 more than the budget in July. The overage in payroll was offset by savings in contract labor and the payroll tax credits. Variances in July included increased quantities of Nematode control on fairways, tees and rough, sand topdressing of fairways which was budgeted in July but will be done in August. Sod was replaced in the rough that are not growing in and landscaping was over budget due to extra planting to fill in areas as well as the Canary Island Date Palm at the Clubhouse. Most of the verticutting was done in June with some left to do in August and there was no rainfall the last 15 days of June therefore we needed to use more water than anticipated.

F&B: Food sales were \$6,205 less than budget and beverage sales were \$3,991 less than budget for the month of July. This department was affected by the COVID-19 shutdown. The payroll tax credits of \$46,007 helped to offset these losses. The monthly deficit, excluding the tax credits, of \$37,955 was \$4,337 better than budget. The year to date deficit, excluding the \$102,096 in tax credits, of \$270,259 is \$48,346 worse than budget.

Tennis: The tennis department operated \$6,262 better than budget for June. This was due to a \$4,863 payroll tax credits. Excluding tax credits, year to date Tennis deficit of \$94,176 is \$6,072 better than budget.

Clubhouse: The maintenance department operated \$2,688 better than budget for July. This included a \$3,251 payroll tax credit. Year to date maintenance, excluding tax credits of \$7,215, has a deficit of \$230,029 which is \$2,241 worse than budget. This includes \$5,763 overage in air conditioner repairs.

Capital: The only Capital addition in July was \$14,280 in Tennis fencing.

Membership: The Membership worksheet indicates we have 334 golf members as of July 31, 2020. There was no net change in July. In addition, there are 169 social members and 45 sport members. As of today, we are over the 325 Golf member cap.

- Approve the 2020-21 Budget
Motion was made to approve the 2020-2021 budget as presented, seconded, motion approved.

Operations Report – Joseph Iafe

- Construction Committee Update -
Since May 26, the committee has met (5) times and typically meets every two weeks. Currently:
 - The design contract has been executed
 - The design schedule is about 2 weeks behind schedule but is expected to pick up time through the design development phase
 - ECC recently contacted the adjacent neighbors in Belle Lago via certified mail to notify them of ECC's intent to put in pickleball and its location.
 - JR Evans Engineering will be representing ECC's renovation project to the Design Review Board of the Village of Estero tomorrow, Wednesday at 5:30pm. Attending will be the JR Evans Engineering team, Walter Crawford, Adrian Karapici and myself.
 - As-Built survey is complete.
 - JR Evans engineering is still working on the final parking calculation.
 - Next meeting is scheduled for Wednesday, September 2 at 2pm.
 - Also scheduled is a Renovation Budget Meeting scheduled for this Thursday at 1pm.
- Golf Course Superintendent Search Update -
 - As of Friday, we have 31 applicants.
 - GSI has identified 8 of those applicants as "highly qualified" and potential good fits for ECC.
 - GSI recommended that ECC take down the posting on the GCSAA website and this has been completed.
 - Mark Black, leading the search, visited the club Friday and spent the morning with TJ and spent extensive time with Kevin Bush, our current Assistant Super.
 - This week GSI will be checking references on the eight candidates and conducting phone interviews with them.
 - Each of these 8 individuals are working in the Florida market.
 - The process will include narrowing down the 8 candidates to 4 and present them to myself.
 - Upon working with GSI to pick the final candidate, I would like our Board President and our Golf Committee chair to have the opportunity to have a conversation with this individual and see if they also feel it is a proper fit.
 - In the time between TJ's departure and the hire of our new Superintendent, Kevin Bush, our current Assistant GC Superintendent, will assume the role of Interim Superintendent.
- VCA request – VCA Request for ECC and Fairway Bend to split the costs of repairs of the Arcadia Drive bridge. Fairway Bend representative, Tom Wortman, believes the repairs are due to erosion of the lake banks and therefore the expense

of the VCA. I concur with that assessment and recommend that ECC does not voluntarily pay for any of these repairs. Total repair costs were quoted at \$3,775.
Motion to deny the request was made and seconded, motion passed.

- Board Room Magazine – extended the subscription and copies will be in your Club mailbox.

Long Range Planning Committee Report – Don DiBrita

- Proposed changes to LRP and Construction Committee
LRP Committee – Don DiBrita (Chair), Debbi Berit, Jeff Adair, Joe McAvoy, Paul Minne, Tony Williams, Walter McCarthy
Construction Ad Hoc Committee – Don DiBrita (Chair) Dan Lawrence, John Kopton, John Sotebeer, Mark Mitchell, Bob MacDougall, Pam Wortman, Deb Zeo, Staff - Joseph Iafe, Dan Newman, Wilton DeLaCruz; Walter Crawford (contractor), Adrian Karapici (Contractor)
Motion to constitute the above committee members was made and seconded, motion approved.

Membership Committee Report – Mike Meersman

- August Membership Changes for Approval

<u>New Members</u>	<u>Category</u>	<u>Comments</u>
Pignotti, Joel & Alison	Social	Purchased from Szablewski
Crosby, Marshall	Summer Golf Single	
Clayman, Michael	Summer Golf Single	
<u>Resign</u>		
Szablewski		Sold home to Pignotti
<u>Change</u>		
Swonk, Elaine	Sr. Fmly. to Widow	

Motion to approve the August 2020 membership changes was made and seconded, motion approved.
- Membership Category Changes Presentation – Meg Stepanian
Motion was made to eliminate the Single Golf membership and each of the under age of 56 categories of membership, seconded, motion approved.

Golf Committee Report – Mark Mitchell

- Recommendation: eliminate all holiday guest rate discounts
Motion made to eliminate all holiday guest rate discounts for the coming year, seconded, motion approved. 8-1

Greens Committee Report – Mike Kennedy

- All greens were aerified with 5/8” inside diameter tines on 2”x2” spacing. They were then cleaned, rolled, topdressed, rolled, topdressed, rolled, and fertilized.

- Driving Range tee was aerified, cleaned, Verticut, cleaned, scalped, cleaned, topdressed and fertilized.
- Entire course was boom sprayed for weeds.
- 2nd application of Nematicide Todal made to suspected Nematode hot spots.
- 18 pallets of sod were laid on holes 3, 8, 9, 10, 11, 12, 14, 15, 16.
- Toro 1298 fairway aerifier rental machine was used to aerify compacted and bumpy areas in fairway's throughout course. Areas were cleaned and then rolled with 5-ton roller and fertilized after.
- All Fairways, tees, collars and approaches were rolled with 5-ton vibratory roller.
- All bunkers edged and sand re-distributed throughout, moving areas of built up sand to areas that were lacking.
- Roll curbing was not completed. We have been in contact regularly with Jim from Creative Path and Curb. He says he is backed up by about 2-weeks.
- All palms and Hardwoods were trimmed at the Clubhouse. Gulf Coast Tree Experts is currently working to complete the golf course at this time. They should be finished by the end of Wednesday.

Enhancement Committee – Carol Berger, Presented by Claire Comstock

- Approval of the D'Antuono Memorial Project
Motion was made to move forward with the project presented, seconded, motion passed.

Old Business

- Committee Charter Approvals
Motion was made to approve the Committee charters as presented, seconded, motion approved.

New Business

- Approval of the Wells Fargo Loan Terms
 1. Approval of obtaining the three loans according to the loan terms set forth in the term. Advancing Term Loan- up to \$3,500,000; LOC- up to \$1,500,000; Term Loan- up to \$1,375,000.

Motion was made to approve as presented, seconded, motion approved.

2. Ratification of the special assessment previously approved by the Board and authorized by the members at the March 23, 2020 members meeting. The motion could be as follows: "Ratification of the Special Assessment to fund the Master Plan renovations previously adopted and approved at the March 23, 2020 members meeting in the amount of \$109 per month, per member, which commenced June 30, 2020 and continuing for 84 consecutive months or until the renovation loan with Wells Fargo is full satisfied, whichever occurs first. The special assessment originally imposed had an earlier commencement date which the Board delayed due until June 30, 2020 due to COVID-19, and is being formally ratified and confirmed here."

Motion was made to approve as presented, seconded, motion approved.

3. Authorization of the execution of all loan documents with Wells Fargo as their final form is negotiated between counsel, according to the terms in the loan sheet, and the

authorized signatory of all loan documents by Donald R. DiBrita. These include, but are not limited to:

1. Closing Statement
2. Certificate of Corporate Resolution
3. Certification of Officers and Incumbency Certificate
4. Loan Agreement
5. Advancing Term Promissory Note
6. Term Promissory Note
7. Line Promissory Note
8. Collateral Assignment of Right to Collect Assessments
9. UCC-1 (Secretary of State)
10. UCC-1 (Lee County)
11. Security Agreement
12. UCC-1 (Secretary of State)
13. UCC-1 (Lee County)
14. Pledge and Security Agreement
15. UCC-1 (Secretary of State)
16. Agreement Not To Encumber Or Transfer Property
17. Attorney's Disclosure
18. Affidavit of Out-of-State Execution and Delivery
19. Florida Documentary Stamp Tax Indemnification Agreement
20. Lender's Affidavit of Out-of-State Execution and Delivery
21. Assignment of Construction Documents

Motion was made to approve, seconded, motion approved.

4. Approval of all prior 2020 Board Meeting minutes and ratification of the actions taken at those Board meetings.

Motion was made to approve, seconded, motion approved.

Executive Session – The Board went into Executive Session.

Adjourn – Meeting was adjourned at 1:35pm.

Next scheduled meeting: Board Meeting Tuesday, September 22, 2020 at 9:00 am