

Executive Summary Board Meeting Minutes

Monday, December 14, 8:00am

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)

Called to order at 8:04

President's Report – Claire Comstock

- Board of Governors Meeting Minutes approval for 11-16-20
Motion to approve the minutes was made and seconded, approved.
- Confirmation of E-mail Board Motion and Votes
 1. 12-9-20: Approval of the at-large Nominating Committee;
Motion to approve the at-large Nominating committee was made and seconded, approved.
- Listen Up Estero & Other Member Correspondence
 1. Members asked about crystals on the flagsticks – Mark addressed within 24 hours.

Finance Committee Report – Debbi Berit

- Review November 2020 Financials

Balance Sheet: The balance sheet was reviewed first. Operating Cash balance is \$2,376,044. The Capital Reserve balance is \$1,065,640.

Summary Income Statement: The Net Operating surplus for the month was \$63,734 which was \$8,858 unfavorable to budget. This included \$25,228 in CARES Act payroll tax credits that were received from the government in November. The revenue was \$81,128 less than budget. Net Operating income, excluding the tax credit, had a \$38,506 surplus for the month of November, which was \$34,086 worse than budget.

Dues: Operating dues of \$236,556 were unfavorable to the budget by \$3,721 in November. This is mostly due to having only 321 golf members with a budget of 328.

Administration: Total Administration expenses were \$1,096 unfavorable to budget for the month as well as \$3,133 favorable to last year. The CARES Act tax credits were \$3,504 in Administration. Variances include \$1,245 higher in property insurance per month, which will be \$15,000 higher than budget for the year, as well as a timing difference on audit fees. Excluding the tax credits, Administration operated \$2,408 worse than budget in November.

Membership & Marketing: Total Membership and Marketing expenses were \$2,851 favorable to budget for the month and \$3,596 favorable to last year. The

CARES Act tax credits were \$1,003 in Membership. The only significant variance was a timing difference in the SEO web advertising. For the year, excluding the tax credits, Membership is operating \$1,848 better than budget. **Golf:** Golf revenue of \$114,090 was \$15,750 unfavorable to budget for the month and \$13,254 unfavorable to last year. Golf merchandise sales of \$34,406 were \$213 less than budget in November. CARES Act tax credits were \$3,931 in Golf in November.

The only large variance was in Golf Shop supplies. Last month \$1,450 in scorecards and \$4,550 in range balls were purchased that were budgeted in November. In addition, we did not have to pay \$2,500 for the club rentals. The net income for November was \$53,682, which was \$755 better than budget. Excluding the tax-credits the net income of \$49,751 was \$4,686 worse than budget.

Rounds were down 3.2% over this month 2019 (3,887-4,014) with guest rounds down 28.1% (197-274). In November 2019 we had 978 cart rounds and 3,036 trail fee rounds. This year cart rounds decreased to 730 (-25.4%) and trail fees increased to 3,157 (4.0%).

Golf Course Maintenance: Total Golf Course Maintenance expenses were \$11,174 favorable to budget for the month and \$21,294 unfavorable to last year. The CARES Act tax credits were \$3,938 in November. Excluding the tax credits, Golf Course Maintenance is operating \$7,236 better than budget.

Variances in November were in R&M Equipment. Greens Triflex - All greens mowers reels have been changed out with new reels which has improved the quality of cut. Buffalo Blower, the housing and propeller had to be replaced. TCA Triflex had a hydraulic leak on the course and the steering cylinder needed to be replaced. The Fairway mower had a leak and the lift cylinder had to be replaced. Fertilizer and chemicals were budgeted higher than what was spent due to timing differences.

F&B: The COVID-19 pandemic has had a significant impact of the food and beverage department. The club food revenue in November of \$41,561 was \$36,607 less than budget and \$29,047 less than last year. The total beverage revenue of \$22,197 was \$21,426 less than budget and \$17,460 less than last year. The CARES Act tax credits were \$10,925 in Food and Beverage in November. Variances included the \$5,596 tent expense for season opener, a timing difference in purchasing silverware and spending \$1,500 on umbrellas and lighting for the outdoor patio.

Operations in Food and Beverage had a deficit of \$25,298 which was \$19,078 unfavorable to budget for the month and \$9,859 unfavorable to last year. Excluding tax credits Food and Beverage has a deficit of \$36,223 this year, which is \$17,145 worse than budget.

Tennis: Tennis was \$1,116 favorable to budget for the month and \$1,858 favorable to last year. The CARES Act tax credits were \$1,155 in Tennis.

Excluding the tax credits, year to date, Tennis has a deficit of \$7,585 which is \$39 worse than budget.

Clubhouse: Total Clubhouse expenses were \$652 favorable to budget for the month. The CARES Act tax credits were \$772 in the Clubhouse. The only significant variance was repairs and maintenance air conditioning. Excluding the tax credits, for the year, the Clubhouse department has a deficit of \$24,196 which is \$120 worse than budget. This includes a \$1,557 overage in air conditioning repairs.

Capital: Capital additions totaled \$16,382 in November. This includes \$3,200 for the ice machine near the Golf Shop and \$13,182 for the course curbing which was left over from the prior fiscal year.

Membership: The Membership worksheet indicates we have 321 golf members as of November 30, 2020. In addition, there are 167 social members and 41 sport members.

AR Aging: The aging report has 3 members over 90 days. One of them has paid and the other two have been notified.

New Business:

- Wells Fargo representatives went over how the internal monitoring service for the renovation is going to work. They will come on site and verify that the work on the current billing was completed and then will verify that all lien releases are done. Once those steps are completed the Club will fill out a draw request and it will be funded within 24-48 hours.
- Review Renovation Cash Flow and Summary Sheet
- Filling Membership Roster – Anyone putting the \$1000 down should have priority over anyone else on the waiting list for available memberships.

Operations Report – Joseph Iafe

- Construction Committee Update
Project remains on schedule, committee and superintendent reviewed landscape plan, soil report complete, permit drawing ready to submit, parking lot staging plan for tent and storage, development order has not been issued yet, SF Water management, interior design team meeting every 2 weeks making selections, Lee County water usage letter reviewed – overages over allotment, no leaks observed.
- Employee Holiday Gift Cards
Annual Holiday Party swapped with Spring Run last year, that is not happening this year. We are issuing \$20 gift cards to our active employees at a cost of \$1500. Holiday funds should be distributed this week.
- Outdoor Patio Update
Lights have been installed, umbrellas have arrived, furniture (72 seats) is scheduled for delivery this Wednesday but does need assembly. Looking at the end of December to open. Adding 2 WiFi hotspots and tablets for service. Purchasing portable heaters. Contest to name the outdoor space. Hoping to use some of this in the renovation.

Membership Committee Report – Mike Meersman

- December Membership Changes for Approval
Motion made to accept the December membership changes, seconded, approved.
- Non-Resident members application 12/14/20
Motion to accept the golf membership was made and seconded, approved.

Greens Committee Report – Mike Kennedy

- Cart Path Extensions for hole #2 and hole #16 – Golf committee to consider rule for play on this cart part extension.
- Greens Committee held their meeting at the GCM facility and Mark explained some modest upgrades needed to the shop.
- Mark performing an irrigation audit which could result in less water use.

Racquet Committee Report – Karen Adair

- Racquets Guest Policy Rule Changes
B. Racquets Guests
 1. Definitions — Guests, Houseguests, Day Guests and Family Members are defined in section IV.A.
 2. Fees and Procedures
Houseguests:
 - a. Must be registered by Club Member with the racquets staff.
 - b. Have a two-week limit of play.
 - c. Club Member is responsible for any services used or items purchased at the Club.
Day Guests:
 - a. Must be registered by Club Member with the racquets staff.
 - b. Can play as a guest no more than six (6) times per year.
 - c. An \$8.00 guest fee will be charged to the Member's account.
 - d. Club Member is responsible for any services used or items purchased at the Club.
 - e. Must be accompanied by a Club Member.
Motion made to implement the proposed changes, seconded, approved.

- Elimination of Racquet Reciprocal play
After discussion, the elimination of racquet reciprocal play will go back to the racquets committee for review.

Nominating Committee Report – Ron Rosselot

- Committee Update – Originally 9 applicants, 4 dropped out. 5 candidates were interviewed and three were chosen; Regine Corrado, Wendy Bazemore & Tony Peterson. First Nominating Committee meeting this Friday. Candidate recommendations to Board at the Jan. 18, 2021 meeting.

Golf Committee Report – Mark Mitchell

- See New Business for Golf Committee Recommendation on seasonal golf events.

Ad Hoc - COVID-19 Task Force – Tom Spaeth

- See New Business for COVID Task Force recommendations on Seasonal events.
- Overall Covid-19 concerns by members were discussed by the Board.
Motion made to adopt CDC recommendations on domestic travel - If you are traveling, consider getting tested with a viral test before your trip. Also consider getting tested with a viral test 3-5 days after your trip and reduce non-essential activities for a full 7 days after travel, even if your test is negative, if you don't get tested, consider reducing non-essential activities for 10 days after travel, seconded, approved.

House and Entertainment Committee Report – Tom Spaeth

- See New Business on H&E Committee recommendation on seasonal events and food & beverage program.

New Business

- Bond Redemption Procedures
Motion made, upon presentation of the Bond, the Club will pay the equivalent of the bond at the time of resignation, assuming they are a member in good standing, seconded, approved.
- COVID Task Force Motion & Recommendations
 1. For the protection of the membership, the Task Force recommends all events with entertainment and dancing be cancelled from now until Easter (4/4/21).
 2. The Task Force recommends that cocktail parties that exceed protocols in place not be allowed to occur at the Club through Easter (4/4/21).
- House & Entertainment Committee Motion & Recommendation
 1. For the protection of the membership and staff, the Committee recommends that all events/gatherings of more than 15 participants be cancelled from now until Easter (4/4/21).
- Golf Committee Motion & Recommendation
 1. The Golf Committee recommends that the F&B portions be eliminated From member only tournaments and that a la carte be made available to all tournament participants. All tournaments should be converted to tee time starts rather than shotguns.
- Ladies Invitational Committee
 1. If the Ladies Invitational cannot hold the cocktail parties in the evening,

the committee will move to cancel the event.

- Men's Invitational Committee
 1. Recommends holding the event following Club COVID protocols

- Management Recommendation
 1. 2020-21 Season Event Strategy
 2. 2021 Season Event Calendar (F&B, Activities, Golf, Tennis)

After discussion, the Board made the following motion on the above Covid Task Force recommendations, seconded, approved.

- 1. To cancel the food and beverage component of all golf and tennis events through April 4, 2021. A la carte and takeout services will be available during these events.*

- 2. To cancel all guest focused golf and tennis events through April 4, 2021.*

- 3. To cancel all social events/activities where appropriate COVID 19 protocols cannot be deployed.*

- 4. To adopt a revised food and beverage program as described in the Board handout materials entitled 2020-21 Season Event strategy.*

Adjourn - Motion to adjourn at 1:31pm was made and seconded, approved.

Next scheduled meeting: Monday, January 18, 2021 at 8am