

Executive Summary Board Meeting Minutes

Tuesday, October 19, 2021, 9:00am

Attending: Karen Adair, Mark Bonner, Art Camiolo, Claire Comstock, Mike Meersman, Mark Mitchell, Tom Spaeth, Beth Wardlaw. Ron Rosselot via telephone. Joseph Iafe (GM), Dan Newman (Dir. Of Finance, Lisa Dillinger (staff).

Meeting was called to order at 9:02 am.

President's Report – Claire Comstock

- Board of Governors Meeting minutes approval for September
Motion to approve the minutes was made and seconded, approved.
- Confirmation of E-mail Board Motion and Votes
Motion made to allow students in the PGM program at FGCU to conduct an event on Sunday afternoon, October 17, seconded and approved.

Finance Committee Report – Mark Bonner (Presented by Dan Newman)

- Review September 2021 Financials
Balance Sheet: The balance sheet was reviewed first. Operating Cash balance as of 9/30/21 was \$30,595. The current cash balance is very low. We may need to borrow from the line of credit in October before the ACH is done on the 25th. The Capital Reserve balance was \$42,241 as of 9/30/21 and is currently at \$19,954, which is enough to cover the loan and lease payments for October. The renovation account has \$218. Dues for 2022 were billed, therefore deferred dues and members receivables increased by over \$3,000,000.
Summary Income Statement: The Net Operating surplus for the month was \$12,701 which was \$6,554 favorable to budget. The revenue of \$402,933 was \$35,291 more than budget. Non-Operating deficit, including renovation revenue of \$60,931, of \$68,806 was \$28,756 favorable to budget for the month. Net initiation fees were \$41,500 for the month and are \$600,300 year to date.
Dues: Operating dues of \$290,591 were favorable to the budget by \$7,867 in September. There were 40 Sport memberships with a budget of 45, creating a \$1,766 deficit in the Sport memberships. Year to date dues revenue of \$3,111,989 is \$28,275 more than budget.
Administration: Total Administration expenses were \$10,668 unfavorable to budget for the month of September. This was mainly due to paying Club Benchmarking \$8,323 to attend and present the annual board meeting. Year to date expenses are \$46,606 more than budget. This is mostly due to the \$13,055 overage in property insurance and the \$20,000 accrual for the Cares Act tax penalty.
Membership & Marketing: Total Membership and Marketing expenses were \$921 unfavorable to budget for the month. For the year Membership is operating \$12,527 better than budget.
Golf: Golf revenue of \$81,057 was \$16,935 favorable to budget for the month and \$17,932 favorable to last year. Golf merchandise sales of \$12,921 were \$8,217 more than budget in September and are \$58,614 more than budget year to date.
The net income for September was \$32,857, which was \$13,619 better than budget. Year to date the Golf surplus of \$541,517 is \$4,308 below budget.

Rounds were up 9.9% over this month 2020 (2,113-1,922) with guest rounds up 259.7 (428-119). In September 2020 we had 392 cart rounds and 1,530 trail fee rounds. This year cart rounds increased to 653 (66.6%) and trail fees decreased to 1,460 (-4.6%).

Golf Course Maintenance: Total Golf Course Maintenance expenses were \$14,727 unfavorable to budget for the month and \$28,709 unfavorable to last year. Variances included overtime needed to work on the course, increase in the price of fuel, fertilizer for the course that was expected in the reforecast as was the extra trash removal. Golf maintenance is \$55,700 over budget for the year, but is projected to be \$8,000 over budget by the end of the year.

F&B: The COVID-19 pandemic has had a significant impact of the food and beverage department. The club food revenue in September of \$19,575 was \$6,375 more than budget and \$8,844 less than last year. The total beverage revenue of \$9,714 was \$2,914 more than budget and \$157 less than last year.

Variances included correcting \$2,100 in decoration that were paid in August but are a November expense, therefore credited this month as well as the air conditioning in the pavilion.

Operations in Food and Beverage had a deficit of \$34,453 which was \$7,988 favorable to budget for the month and \$125 favorable to last year. Year to date, Food and Beverage has a deficit of \$508,803 which is \$155,336 worse than budget.

Racquets: Racquets was \$656 favorable to budget for the month. Year to date, Racquets has a deficit of \$134,073 which is \$3,006 unfavorable to budget.

Clubhouse: Total Clubhouse expenses were \$2,741 favorable to budget for the month. Year to date the Clubhouse department has a deficit of \$265,211 which is \$25,288 better than budget.

Capital: The only capital addition in September was \$6,942 for the ice machine outside of the Pro Shop.

Membership: The Membership worksheet indicates we have 342 golf members as of September 30, 2021. In addition, there are 162 social members and 40 sport members.

AR Aging: The aging report has 3 members over 120 days.

New Business:

The 2021 projections were reviewed with updated numbers for October. We are projected to lose \$18,008 this fiscal year.

The projected deficit for 2020-2021 includes \$13,728 Employee Retention Credit from October 2020, which technically belongs to last fiscal year as well as \$6,504 in penalty from Q4 2020 that we have not received notice from the IRS yet. If we do not receive a notice this month, we will reverse that accrual.

- Review Clubhouse renovation summary
- Review 2020-21 Forecast

Operations Report – Joseph Iafe

- Personnel Update

In the month of September:

- (1) Member positive case – Member was not vaccinated
- (1) Employee positive case – employee was not vaccinated
- (1) Employee Close Contact case – Employee was vaccinated

In the month of October to Date:
No cases reported

Golf Operations is now fully staffed and ready for season.

GCM is now fully staffed with (3) new Workforce employees from Portugal who have showed signs on much interest in golf course maintenance and all three are in process of obtaining a green card. Once legal to work in the US, we plan to convert them to ECC employees.

Food & Beverage Front of the house have begun interviewing for servers, bartenders, and runners. The ads for the positions went out last week and we have already interviewed and hired (3) servers for this upcoming season including Earington who was with us last year.

Already hired is the Seasonal Dining Room Manager. His name is Tom Leonard with vast experience in the kitchen as an Executive Sous Chef, out front with positions recently as the Food & Beverage Director of Windstar in Naples and held positions as a college professor for hospitality.

The other position filled is our FT Bar Supervisor. This was filled by Steve Award. Steve has owned and run restaurants and bars his entire life in upstate New York and Myrtle Beach. He recently moved to SW Florida and is looking to just work at a fun upbeat facility for the next 8 years or so until he retires.

Food & Beverage back of the house recruiting is coming along. Half of the new seasonal positions have been filled with 3 other positions needed to be filled by November 15.

Tennis, Accounting and Administration are all fully staffed and ready for season.

- Construction Update

Project has begun to see some of the delivery/shipping challenges the rest of the country is experiencing which may delay certain openings of the Club a couple of weeks.

The three areas of delay that we are currently experiencing are:

1. Cabinetry – which is going to affect Mulligan’s bar, locker rooms and restrooms. Heatherwood has not been able to pinpoint exactly if and how long that delay will be
2. Mulligans chairs are scheduled to arrive on December 3 (Friday)
3. Roll-down door which is not needed to open the Club. This door segregates the clubhouse from the 24-hour member access of the gym, fitness studio, locker rooms and card rooms.

Besides the potential delays:

- GCM Equipment Supply Chain Delays

All Wesco/Toro distributor communicated to ECC, that they are currently looking at 12–13-month delivery lags from the time of a purchase/lease.

Due to this issue, as soon as we enter our new fiscal year, we will move forward with processing any budgeted equipment orders. The Good news is that we don’t have any specific Toro equipment budgeted for purchase or lease in 2022. Additionally, as the market tightens up, Toro has increased all their prices 8% across the board last month. We should move forward and

purchase common parts immediately in November to have in inventory such as reels and bed knives, so we are not waiting for them in future when we need them.

- We do have (2) Carryall Carts budgeted for purchase (one in Tennis, one in clubhouse maintenance) that we can order immediately with expected delays of only 6 months on these items.

Joseph going to Cornell Univ. for continuing education.

BMI tactical Leadership - Topics such as team building, Membership Marketing and Customer loyalty, Employment Law, Leveraged Conflict, Leadership & Sensitivity, Leading Innovation and Managing Change.

Membership Committee Report – Tom Spaeth

- September Membership Changes for Approval

New	Category	From
Ruggee	Silver Fmly. 1golfer	E. Miller (keeping membership)
Tadsen	Silver Fmly. 1 golfer	From Spiering
Buckwalter	Sport	From Cullen

Upgrade

H. Thompson	Widower to Gold Single
D. Koontz	Widow to Golf Single

Sale Relinquish

Spiering	Social	to Tadsen
Cullen	Social	to Buckwalter

Motion made to approve the September membership changes, seconded, approved.

- There were three closings within the Vines in September. The Club welcomed (2) Silver Golf members and (1) Sport Member.
- There are no active property listings on the MLS within The Vines and (6) pending sales currently.
- There were 34 membership inquiries received during the month of September. Website/email inquiries 40%. Phone Inquiries 60%. 2 prospect tours were provided. There were 6 Realtor inquiries.
- No preview rounds were extended during the month.
- Membership department assisted coordinating the closings for 7 properties within the Vines.
- Fielded requests and provide information/analysis for membership changes.
- Worked on the production of the annual member calendar including design and quotes.
- New name badge design/production ongoing while securing a repetitive vendor with more cost-effective pricing.
- Develop and produce of informational collateral for new members, prospects, and Realtors (in process).
- Develop internal promotional strategies for events and activities.

Golf Committee Report – Beth Wardlaw

- Motion made to grant the members of Old Cypress extended reciprocal access to ECC through Monday, November 15. The Golf Shop Staff will only place their members on a space available basis and will charge them the Family Guest Rate of \$74 + \$26 cart fee = \$100.

- Motion made to grant the members at Palmira G&CC reciprocal access to ECC's golf course until Nov. 21, 2021. The Club would charge their members a \$74 green fee and a \$26 cart fee (total \$100).

Motion to approve the requests above was made and seconded, the Golf Staff would only award them tee times on a space available basis, two days in advance of play, seconded, approved.

- The Golf Committee recommends that the Board allow members to walk the golf course when playing a round. All members would be required to pay either an annual trail fee or a single use cart fee, even if they elect to walk the course. The Club would not store members' pull carts, nor would the Club purchase pull Carts for member's use.

Motion made to allow the above, seconded, approved.

Rounds Review – September 2021

NOTE: With 2020 being heavily influenced by the COVID pandemic, management has added data from 2019 to give a clearer view of the Club's trends in terms of golf rounds.

- Total Rounds for September 2021 were 2113, up 191 (9.9%) from September 2020, and up 366 (21%) from September 2019.
- We saw a big increase in Member rounds from 2019 to 2020 (1434 vs 1803) due to the pandemic. Member rounds were down in 2021 compared to the pandemic high in 2020, but they are still above 2019 levels (+251/17.5%).
- Non-Member rounds went from 119 in 2020 (straight times were in place, guests were limited to 3 per member, and the Club was not accepting reciprocals or PGA Pass holders) to 428 in 2021, up 309 (260%). Comparing to 2019, the Club increased non-member rounds by 36.7% (+115). Primary drivers are a 73% increase in Reciprocal rounds (104 vs. 180) and a 64% increase in PGA Pass rounds (74 vs. 121)
- Non-member rounds accounted for 20% of total rounds in September 2021, versus 6% in 2020 and 17% in 2019. This increase brings increased positive revenue during a time when it is warranted.
- Trail Fee rounds accounted for 69% of rounds played; cart fee rounds represented 30%. This is in keeping with the pattern established before the pandemic and reflected in the 2019 numbers; however, in 2020 TF rounds accounted for 80% of total rounds.

General

- Staffing for season is settled. We are pleased to be bringing on Peyton Keefer as our Seasonal Assistant Professional. Peyton is currently working at Thunder Hills in Peosta, Iowa, where several ECC members belong. Peyton played 4 years of high school golf and worked at several different facilities in Iowa. He is eager to learn and grow, and we are excited to have him joining the team.
- We will also be cross-training Haley to work in the Golf Shop as well. She really enjoys working in Outside Services and loves the interactions with Members, but she is also excited to learn more facets of the business. We are thrilled to have her positivity in the shop a couple of days a week.
- We are beginning to receive smatterings of new merchandise arrivals. Asa has prepped for season with the understanding that supply chain issues will be problematic for the foreseeable future. She was very aggressive in getting her orders pre-booked, and she ordered heavy knowing that some products will never arrive, and that special orders are going to be a challenge.

Events

- The annual Labor Day Scramble and BBQ was held on Monday, September 6. We had a good turnout of 83 players. This was down from 108 in 2020 (at the height of the pandemic), but it is up from 61 in 2019.
- We conducted another 9 & dine on Friday, September 17. 36 players teed off in a 4:00pm shotgun and headed to the Pavilion for the optional "Dine" component of 9 & dine. Players seemed to appreciate having the option to stay for dinner or not.
- We are preparing for the inaugural FLOG event, where we set up the course to played backwards. Staff is hard at work producing all the needed materials to play safely!

Racquet Committee Report – Ron Rosselot

- All court resurfacing for the upcoming season is complete.
- Open play has been slow. The Club did finish with the 3.0/3.5 lady's reciprocal on Tuesday & Thursdays.
- Cardio Triples on Mondays is going well. October will open league and season events.
- Pickleball court construction is waiting paint for completion.
- Bocce courts have been leveled and construction has begun on the courts behind the Clubhouse.

Ad Hoc -COVID-19 Task Force – Tom Spaeth (n/a)

House and Entertainment Committee Report – Karen Adair

- Hats in Mulligans open air space – Committee to discuss
- Chef Performed a pricing analysis between our current and two other produce companies to see where our current company stood amongst competitors. We are currently receiving the best pricing of the three companies.
- Chef created an exploded version of our GL code line items to make for easy access to everyone. This document outlines where every invoiced item should be coded. This could be a beneficial tool for upcoming budgets.
- Chef has written the banquet packet that will be presented to potential outside events. Management is currently reviewing and building the rest of this packet to include bar offerings and room rental prices.
- Chef has been interviewing applicants for the kitchen that would be starting at the end of October before we open five nights per week for dinner in November. There has been positive movement on this, and Chef hopes to have all positions filled.
- Adriana, Joseph and Alidor have interviewed and hired a seasonal dining room manager. He will begin November 1st.
- Adriana and Alidor have posted the full-time head bartender position and have hired a candidate that will begin November 1st.
- Adriana attended the FGCU Hospitality and Resort Management job fair where she recruited a lot of young talent for the upcoming season.
- Alidor and Adriana worked with Benny to prepare specialty cocktails for the upcoming season and served to bar candidates in the Pavilion for feedback. The focus was to add fresh variety drinks that cater to our membership as well as highlighting the presentation of the cocktail.

Grievance Committee – Art Camiolo (n/a)

Greens Committee Report – Mark Mitchell

To date we have received 7.29" for the month and 41.66" for the year.

Greens

Greens continue to do well. We are now in a routine alternating each week carrying out light vertical mowing one week and then aerification with pencil tines in the other week. We will determine weekly on topdressing based on growth. This process will continue throughout the season weather permitting. #17 Green has slight thinning at the back of the green due to shade as well as worm casting.

Tees/Fairways/Approaches

We have had some challenges in the last month with these areas due to the hot extreme dry conditions, as well as some irrigation issues where we loss power to our satellite boxes. This caused some areas to thin out leading to some areas with bare spots. Most of these areas are on mounds where it tends to be drier, due to the dry conditions it enhance the population of nematodes. These microscopic insects are damaging to the roots of the plants. I recently sent of some samples to the labs to see if we had active nematodes upon the finding we had some areas that were four times over the threshold. We have spot treated the worst areas with a nematicide and applied additional fertilizer and since then we have seen a great deal of improvement overall. We will continue to apply fertilizer and focus on these weak areas. We are continuing to spot spray for weeds especially in the Latitude., as we move away from rainy season, we will be able to manage the weeds better. On an average day we have about 4 employees spraying for the weeds.

Roughs – Latitude

Roughs still continue to be mowed at 1.25". We are continuing to spot spray for weeds especially in the Latitude. As we move away from rainy season, we will be able to manage the weeds better. On an average day we have about 4 employees spraying for the weeds. There are still some bare spots on the golf course damaged from the mole crickets. As approved, we will be having some sod installed to fix these areas. Areas where the Bimini was installed is really thriving and we have noticed an incredible amount of root development.

Irrigation

On hole #14 we received a 12" irrigation main line break. This has been repaired. Green number 9 irrigation heads have been converted to Rainbird heads. We are hoping for the next few Tuesdays in October we will continue to swap out the heads. In the meantime, we have had to replace some gear drives that have failed.

Equipment

We have a pull behind blower that is not working and hope to have this fixed in October.

Traps

Hole #2 greenside traps have had new sand added to them. Once all detail has been completed, we will continue to work on the traps.

Staff

Due to being behind on detail, it was approved to hire more workforce labors to help catch up and complete these tasks. We should be finished with them by the second week of October. I have one potential employee pending drug test and background check.

Beds/Landscape/Trees/Paths

Golden Services were here for two days to trim back #7 Tee box overgrown bushes as well as trim back the copperleaf on hole #8. Detail is currently being worked on by redesigning the beds, edging to the cart paths and traps should be completed very soon. Pinestraw will be installed the week of October 18.

Long Range Planning Committee Report – Mike Meersman (n/a)

Ad Hoc Construction Committee Report – Mark Mitchell/ Mike Meersman (n/a)

Nominating Committee Report – Ron Rosselot (n/a)

Old Business (n/a)

Executive Session (n/a)

Adjourn – Motion to adjourn at 12:07 was made and seconded, approved.

Next scheduled meeting: All Member Meeting, Monday, November 15, 2021