

MISSION VALLEY GOLF AND COUNTRY CLUB

MINUTES OF THE BOARD OF DIRECTORS MEETING MONDAY JUNE 29, 2020

The Meeting was called to order by the President Jack Onofrio at 2:30 P.M. Eastern Time.

Members Present: President Jack Onofrio, Vice-President Emily Jennings (by phone), Treasurer Tom Grover, Secretary Peggy Ricklefs (by phone)

Members: Sherry Baker, Fred Binder (by phone), Pat Cangero (by phone) , Steve Day, Rob Harkins
Management: Doug Slusser

MANAGEMENT AND OPERATIONAL REPORT: Doug Slusser. Good news, May's results were a welcome development proving the Club could operate profitably in the COVID-19 environment. June is also looking good due to Initiation Fees exceeding the budget dramatically. Member rounds of golf nearly doubled and were the highest monthly total in the last 10 years. We finished the month exceeding the budget by \$3,802.00 while generating \$29,816.00 of net operating income. We will end the fiscal year close to budget. With the resurgence of the Virus we are still within compliance. We will continue operations and we will remove the bar stools. Being aware of the increasing virus, the Staff will wear masks while in the Clubhouse. Issues of the aerification lifting the turf will be addressed.

FINANCE: Tom Grover. June beat the Budget. Initiation Fees exceeded budget by \$27,000.00 in May . The Committee agreed to modify the Lifetime Memberships. It stands presently at 5 Lifetime Memberships at \$50,000.00 and 5 Lifetime Memberships at \$75,000.00. A motion was made by Tom Grover to "continue the 10 Lifetime Memberships with no restrictions". This motion was seconded by Steve Day and unanimously passed. June Initiation Fees are exceeding budget by \$13,810.00. The Committee reviewed the 2021 Budget in detail. The operating budget must have Net Operating Income (NOI) of approximately \$370,000.00 to fund the Capital Budget. The NOI is budgeted at approximately \$390,000.00. Due to the strong increase in the number of members over last year, the golf course maintenance budget was increased by \$170,000.00. Savings are seen in the Clubhouse and Bar due to modified operations during the pandemic, summer play and golf cart fees . The Insurance fees have increased by \$4,000.00 over the prior year. Music services also increased. Because of soil compacting , we may have to look at next summer's play levels . Upcoming aerification may relieve the compaction issue. Litigation involving two former Members disputed payments to the Club have the Club currently in a strong position.
A motion was made by Steve Day to "adopt the new budget" and seconded by Rob Harkins and was approved and unanimously carried.

LONG RANGE CAPITAL PLANNING: Steve Day. The Committee reviewed the LRCP worksheet and noted that the end of the year variance was \$65,000.00 over budgeted Capital spending which came out of reserves and left reserves with \$70,000.00. We need to build up the Capital spending reserves. We were very lucky on the pumps saving money by repairing rather than buying new ones. The John Deere tractor is set up in next year's budget. We will have to replace the Club's copper plumbing in the next 5 to 10 years. We have to keep the Membership aware of the plumbing problem and find a way to build a specific reserve for this. One suggestion was to increase dues by \$20.00 on the monthly bill and categorize the \$20.00 as Capital Improvements and repair. The Capital portion of future Lifetime Memberships are a healthy start.

MEMBERSHIP: Sherry Baker. Our Equity Membership is 267, 2 Corporate and 6 Lifetime Members. Total is 275. We also have 6 Annual Golf Memberships and Social is at 105 Members. We hit the 275 goal!! We have 22 resignations with 6 moving to Social Membership at fiscal year-end . So we begin the 2020-2021 year with 255 Equity Members plus 5 Annual Members. Dawn has posted a new "flyover" video of some of the holes on the course and responses are positive and Dawn did a fantastic job. We have 14 paid Seasonals for next year. We currently have 120 summer members with expectations some will convert. There is another promotion scheduled for July to try to obtain more conversions. The Tennis program has added 11 additional Social and Sports Memberships. Debbie and Paul Grovum won the "Race to 275" by bringing in the most new members.

We had a discussion, led by Doug Slusser, on requests by some Members for changes or resignations on their Memberships. Doug will handle the results with the appropriate Members.

GREENS: Pat Cangero. The greens aerification encountered a number of issues but they have been resolved. There should be a fairly quick recovery. Our next aerification is scheduled for August 3rd. The large rainfall late last month caused a number of drainage issues. These are being addressed and will be handled.

GOLF: Fred Binder. No Report.

TENNIS: Rob Harkins. The head Pro has been released. We received a push back from 5 to 6 players. The Tennis Pro's dismissal came as a surprise to some. His last day is July 2nd. We have received 20 resumes and we have taken it down to 4 applicants. Another 6 applications were received. There are good qualities in all of the candidates. Their references will be checked before proceeding to their interview. Doug will lead the interview process. There was a discussion about pay and benefits for the new hire. The new pro's compensation will include an annual salary plus 100% of lessons and clinic income. We hope for a new pro by the middle of July. The Tennis website has been upgraded with pictures, etc.

HOUSE: Emily Jennings. No meeting was held but is scheduled for early July. The Patio project was brought up. Emily said she needed a current copy of the plans so she can talk about the concept. Questions about the staffing, prices for the furniture, etc need to be addressed. Also, the smoking issue needs to be addressed seeing as the patio is an outside facility. Doug will ask Tom Kelly for an updated plan and will send pricing on the present furniture being used.

NEW BUSINESS: Jack Onofrio. Lyn has returned last week and has taken up the additional job of answering phones, etc. usually handled by the Receptionist. Doug hopes to have a replacement by August.

Plans are that there will be communications to the Membership every 2 weeks. The bar is now OPEN.

Steve Day. Mr. Day reported on the discussion with Pope Management in regards to the Management Agreement the Club has with Pope. The outcome of those discussions was that Pope did agree to a reduction in the monthly management fee and to a provision that if for any reason Mr. Slusser became unavailable to act as the Club's on site manager, such unavailability would trigger an option, at the discretion of the Club, to cancel the Management Agreement by giving Pope a 90 day notice of said cancellation.

In return for the aforementioned accommodations to the Club, the Club would agree to extend the Agreement for an additional two years beyond its current expiration date of June 30, 2021.

Mr. Day made a motion “ to accept these changes to the Agreement” and the motion was seconded and passed by the Board unanimously.

With no further business, the Meeting was adjourned at 4:35 P.M. The next Board Meeting is Monday, July 27th at 2:30 P.M. Eastern Time in the Board Room.

Respectfully submitted,

Peggy Ricklefs
Secretary