

Mission Valley Golf and Country Club
Minutes of the Board of Directors Meeting
Monday, January 30, 2023

The meeting was called to order by President Steve Day @ 2:30 PM Eastern Time.

Members present: President Steve Day, Vice President Pat Cangero, Treasurer Tom Grover, Secretary Dave Richardson, Rob Harkins, Kelly Jo Drewery, Cheryl Hornberger, Fred Binder and Hilda Lyon.

Management present: Doug Slusser.

The Minutes of the previous board meeting, December 19, 2022, were approved as submitted. Motion to approve: C. Hornberger, second: P. Cangero.

CLUB COMPARISON REPORT: Guest Dawn Pentesco, Membership Director, provided a 2023 dues comparison report of Greater Sarasota area golf, social and yacht clubs. Dawn is the current President of the Association of Marketing Managers, comprised of her peers from among 25 local clubs. Despite the extraordinary size of Mission Valley's current wait list, the only other area golf clubs with wait lists are Laurel Oak, The Oaks, Lakewood Ranch CC, the Ritz and Founders Club. The average dues increase in 2023 among the 23 clubs included in the report is 13.4%. More than half have increased dues by at least 10%. The Board thanked Dawn for her report, and she was excused.

MANAGEMENT FINANCIAL AND OPERATIONAL: D. Slusser first addressed the recent sewer gas odor problem in the men's locker room. Work will commence this Wednesday, February 1 to correct the problem. The 3-sink vanity and urinal area will be closed while the repair work is going on. Reconnaissance, by video camera fed from the rooftop, revealed a break in a cast iron section of pipe servicing the urinals. The technician is "95 percent sure" that this is the cause of the odor issue(s). This section of pipe was not previously lined. The repair and subsequent lining of the remaining cast-iron pipe is expected to take two to four days. The floor will need to be jackhammered to access the break. There is a possibility the four toilets and showers will be out of service as well. Gentlemen should be prepared to use the restroom facilities near the front doors of the Clubhouse. This will be communicated to the Membership via email tomorrow. Estimated cost is \$11.7K.

Mr. Slusser referred to the previously distributed Executive Summary and noted that December operations were outstanding, and the Club is well ahead of budget fiscal year to date. January operations look pressured, and there may be a modest miss to budget. This is due in part to costs for tree-clearing for the new concrete slab which will accommodate material storage bins being moved from the parking lot.

Mr. Slusser was at the PGA show in Orlando last week, and attended several continuing education sessions. These are required in connection with maintaining his Class A PGA membership. A major focus of several sessions was the challenges of hiring and retaining talent. Cash compensation remains the primary factor, and information was provided on increases in recent years on the minimum living wage in Florida. However, work-life balance has become an increased factor, particularly among millennials. Strategies for addressing these concerns, such as reduced/more flexible hours, all carry increased costs. All of this was relayed so that the Board has a clear understanding of the pressures we

have experienced, and will continue to see on wage costs. This will need to be a focus in preparing the FY2024 budget.

FINANCE: T. Grover. The Finance Committee met January 23, 2023, and minutes of that meeting were provided. With strong results for December, 6 month year-to-date operations at 12/31/22 show a \$54.8K positive variance to budget. As noted by Mr. Slusser, January was pressured due to some unanticipated costs, but it is not unreasonable to expect that the remaining 5 months of the fiscal year will be strong, and that the FY beat to budget could be perhaps be in the range of \$100K. The Finance Committee anticipates recommending that the Board use these funds to replenish a major portion of the \$160K of CARA revenue expended for hurricane Ian clean-up.

With the increase in market interest rates, the Committee has been exploring ways to improve returns on the Club's excess cash. We have approached our bank, SouthState, and they have agreed to increase our money market account from \$50K to \$250K, and pay 4% interest. This would be in addition to our operating sweep account, which pays 2%. With this arrangement, our maximum deposits at any time with SouthState not covered by FDIC insurance would be modest (<\$100K, usually less). The Committee further recommends that the Club purchase short-duration (typically 3 or 6 month) US Treasury Bills to further enhance our returns. Six month Treasury Bills were at 4.8% last week, for example. United States Treasury Bills are extremely safe, and highly liquid. In July each year, after many members prepay their annual dues, the Club has as much as \$2 million of cash on hand. Mr. Slusser and the Committee will work to determine how best to ladder Treasury Bill purchases to maximize return on these excess funds. The increase in interest income will be in the range of \$40-60K if interest rates remain where they are. Mr. Grover moved that the Board approve this strategy. Seconded by Mr. Day. Approved.

LONG RANGE CAPITAL PLANNING: H. Lyon. The LRCPC Committee met January 23, 2023, and the minutes of that meeting were provided. A discussion ensued regarding appropriate types of expenditures of CARA funds. Ms. Lyon and her committee will develop a refined definition for the Board to consider for future memorialization in the By-Laws of the Club. This will also provide clearer guidance for the LRCPC Committee in designating CARA and non-CARA items on the schedule of New Capital Purchases and Projects maintained by the committee.

Ms. Lyon reported the Club has received final approval from the Fire Dept for the municipal water connection. When that is completed, the old water tank will be removed, and that area will be cleaned up. The Club has ordered another AED device for the cart barn, bringing us to a total of four. Employees have been trained on how to use the devices. An RCE was approved by the committee for \$32,500 for the construction of a concrete pad for GCM materials now located in the front parking lot, and the relocation of bins and materials. This will open approximately 12 additional parking spots. The committee is also in the process of evaluating a small renovation of the GCM building, particularly the restroom and break room. This should benefit our efforts to attract and retain GCM staff.

MEMBERSHIP: C. Hornberger. The Membership Committee met January 12, 2023, and the minutes of that meeting were provided. Our current membership is: 321 equity, 4 Corporate, 55 55 and under and 242 Social members. There are 98 on the Equity wait list and 4 on the 55 and under wait list. In

response to a question raised by Mr. Binder, it was agreed that the Committee will be prepare a recommendation to the Board for an increase in Initiation Fees given the size of the wait list.

GREENS: P. Cangero. The Greens Committee met January 20, 2023, and the minutes of that meeting were provided. The installation of the new fence along the #10 tee should be completed shortly. The new driving range mat was scheduled to be delivered at the end of this month, and we will follow-up if it does not arrive imminently. We continue to await permitting approval for the erection of the new GCM pole barn. There is concern the contractor has not been diligent with this, so Doug Slusser and Dave Emmons will reach out directly to the County. The driving range was recently over-seeded. Aerification will resume as areas are getting compacted. A schedule has been proposed for rotating placement of the tees on the driving range to help prolong the grass life. It will be important to adhere to the schedule.

GOLF: F. Binder. The Golf Committee met January 17, 2023, and the minutes of that meeting were provided. The Committee approved a Handicap Committee letter to be sent to all members outlining responsibilities for the proper, timely posting of scores. More specific letters are being sent to the top five members delinquent in reporting scores, or posting incorrect scores. The Board agreed with the Committee's recommendation to phase out electric cart storage. There are safety issues for employees. The Committee is exploring the possibility of another couple's tournament in April. It would limit players to 4 clubs.

HOUSE: K. Drewery: The House Committee met January 18, 2023, and the minutes of that meeting were provided. The Winning Wednesday promotion in the restaurant has not seemed to improve member turnout, and will be discontinued. The bent gate by the garbage area has been repaired. The Florida Highwaymen Art Show has been moved to the first week of March. Music Bingo continues to sell out. As with other popular events, if a member is on the wait list for a sold out event, they will get the first opportunity to attend the next event. A discussion ensued about significant numbers of guests (some repeatedly) attending sold-out events, resulting in members being unable to attend. This is particularly a problem in the case of Social members, who maintain membership in large part to be able to attend the various social events. It was agreed that over the off-season, the Committee will consider a policy to recommend to the Board regarding the attendance of guests at social events. A new survey will be sent to the membership soon focusing on Food and Beverage operations. At the Committee's request, management is preparing an orientation handout for new members regarding Food and Beverage operations.

TENNIS: R. Harkins. The Tennis Committee met January 25, 2023, and the minutes of that meeting were provided. We successfully transitioned to the new CourtReserve tennis reservation/scheduling system on January 4. We transitioned 190 membership names to CourtReserve. Of those, 86 have established new accounts on the new system. An additional 10-15 names are expected to register. We are awaiting arrival of the pavers which will allow us to proceed with the project to remodel the tennis pavilion patio and build new walkways to the outer courts. However, given that we are in the busy season, actual installation will probably not happen until early April. A pickleball demonstration day is being planned. Court 1 will be set up with a temporary net and lines. We are following the example used by the Landings in Sarasota when they implemented pickleball on their HarTru courts.

NEW BUSINESS: S. Day:

Mr. Day noted that his recent letter to the Membership regarding possible future improvement projects for the Club has generated concerns among some members. It is evident that despite what was detailed in the letter, some are assuming that the Board is much closer to proceeding with one or more of these projects than is the case. All agreed that a follow-up letter to the membership is warranted. The letter will reiterate that the Board currently is simply soliciting feedback from members (via the recent member survey) on the potential projects that they value most. It will also highlight the fact that projects of a material size (>\$150K), as well as assessments exceeding \$500, require approval by a vote of the membership, as provided for in the By-Laws. Mr. Binder agreed to draft such a letter. Additionally, the Board will meet shortly to discuss the member survey, and work towards consensus on those projects most worthy of further consideration.

Through a motion by F. Binder and seconded by T. Grover, the meeting was adjourned at 4:45 pm.

Respectfully submitted,

Dave Richardson
Secretary