

Mission Valley Golf and Country Club
Minutes of the Board of Directors Meeting
Monday, June 6, 2022

The meeting was called to order by President Steve Day @ 2:30 PM Eastern Time
Members present: Vice President Pat Cangero, Treasurer Tom Grover, Secretary Rob Harkins, Kelly Jo Drewery, Sherry Baker, Bob Smialek, with Fred Binder, Hilda Lyon by phone.
Management present: Doug Slusser

The Minutes of the previous board meeting, 25 April 2022, were approved as submitted. Motion to approve: S. Day, second: T. Grover

OVERVIEW OF TROON/ICON MANAGEMENT PRESENTATION: S. Day lead a discussion of last week's presentation by Troon/Icon to our executive committee. Troon/Icon is interested in competing for our club management contract when it expires next year. Our current management company, Pope Golf, is not providing all of the services we desire -and we will be replacing them. R. Smialek has been appointed to lead a subcommittee investigating our next steps toward finding a new management company. The goal is to evaluate our options with other management companies with the ultimate objective of hiring a management company to support our operations for the next 5 years.

2022-2023 BUDGET PRESENTATION: D. Slusser. Prior to discussing next year's budget, T. Grover commended D. Slusser for his outstanding work preparing a well-documented and detailed budget for next year. The board reviewed the proposed budget which forecasts total revenues of \$4.8 million with a year end expected excess of revenues over costs of \$70 thousand. Details of the budget can be reviewed in the administration office. The finance committee had previously reviewed the proposed budget and recommended it's approval. Following the discussion, T. Grover with a second by S. Day motioned to approve the budget as presented. The board approved the 2022-2023 fiscal year budget as presented.

MANAGEMENT FINANCIAL AND OPERATIONAL: D. Slusser reviewed the operating results and financial statements for the month of April. April was another outstanding month financially for the Club. Adjusted for a donation, Net Operating Income (NOI) exceeded budget by \$38,355, marking the tenth month in a row we have exceeded budget this fiscal year. These results are attributable in part to dues exceeding budget, golf operations again exceeding budgeted rounds played and food and beverage having a strong month. As anticipated, payroll expenses were over budget in most departments.

May appears to also be finishing as a solid month. Summer Program Participants are replacing Members who have left for the summer. A three-day closure of the Club mid-month for Clubhouse and Golf Course maintenance will pressure results. The dues lines will continue to provide a lift to results. Total revenue generation should more than offset payrolls and other expenses that are above budget. Considering an approved additional expenditure for fertilizer and chemicals, May should close with a moderate beat of the budget.

In operational news: Following an audit of our IT system, we have chosen a new IT company, Four Winds, to provide upgrades to our IT security and operating systems. The new contract will increase next years IT costs by approximately \$5K.

HOUSE: K. Drewery: F&B had an outstanding month. Combined Revenue exceeded budget by \$39,436. Dining Revenue, Banquet, Party Food Sales, and Bar Revenue all contributed to exceeding budget. The great weather and a strong Easter Brunch drove Dining, Lunch and Bar Sales well above budgets. With the increased sales it is no surprise Dining Room Payroll and Kitchen Payroll both exceeded budget

FINANCE: T. Grover. The finance committee recommended a change to the club's accounting policy dealing with the capitalization of additions to property and equipment. Currently any additions over \$500 are capitalized. It was recommended that the amount be increased to \$2,500. Following a motion by S. Day and a second by R. Smialek the board approved the change from \$500 to \$2,500. In light of the current year's results exceeding budget by \$221,000 the finance committee recommended performance bonuses to department managers of approximately \$70,000, which is in line with last year's bonuses. The committee also recommended additional operating profit be transferred to capital reserves in the amount of approximately \$125,000 depending on final May and June results. After a motion by K. Drewery and a second by R. Smialek both recommendations were approved by the board.

LONG RANGE CAPITAL PLANNING: H. Lyon. The milling, jetting, and lining of the cast iron pipes in the bathrooms and locker rooms is complete. The kitchen and bar phase of the project will be addressed in a few months. Global Sanchez, the engineering firm evaluating the repair/upgrade of our fire suppression system will be delivering their biddable building plans any day now. We expect 4-6 companies to bid the project with an anticipated \$400,000 cost. There are \$32,049 in unspent equipment leases that will be carried forward into next fiscal year for the same purpose.

MEMBERSHIP: S. Baker. Membership activity was strong in April. Membership numbers are as follows: 320 equity, 5 corporate, fifty 55 and under, 221 social. 55 and under memberships have been capped at 50 and there are 5 on the waitlist. There are 83 on the equity waitlist. This will decrease on July 1st as we have received several equity resignations. Resignations year to date are: 18 equity and 11 equity to social; 25 social and six 55 and under have resigned with 3 scheduled to change to equity on July 1. The six month summer membership is full with 75 participants. Equity resignations represent a 9% attrition rate which is within our norm from years past.

GREENS: P. Cangero. Monday closures for course maintenance have allowed us to put down Chipco Choice for mole crickets and Curfew for nematodes. Both applications resulted in some damage to our turf but with the recent rains, healing should be reasonably quick. The greens will be aerified throughout the summer much like last year. We continue to wait for equipment and parts that have been ordered for months. We were not able to locate a good trencher for purchase so we will be renting for our fairway drainage project. After an extensive search for a good used machine, we have decided to repair our existing boom lift machine. Work on expanding the driving range to the north should be started in the fall. The pole barn for the maintenance area should be installed in July.

GOLF: F. Binder. Near perfect weather enabled Golf Operations to have an outstanding April. Only one day saw less than good golf weather. Revenue, Net Income, Member rounds, Electric Car Rental, Pull Cart Fees, Green Fees, and Merchandise Sales all exceeded budgets. Golf Ops Payroll was over budget.

This is easy to understand with the 1288 additional rounds played over budget. The golf committee reviewed and rejected a proposal to change to straight tee times and a proposal to change the 2/3 combo tees. The policy on rakes in/out of bunkers has been reviewed by the golf committee. Rakes will be left out of the bunkers and aligned with the direction of play. Pictures have been sent out to show proper rake placement.

TENNIS: R. Harkins. At our next tennis committee meeting we will be discussing whether to hire a new tennis professional or alternatively have only a teaching pro available for member lessons. Having a teaching pro, at no cost to the club, would allow us to divert that payroll to court maintenance. We have submitted a Request for Capital Expenditure to purchase a Venus clay court scarifier. The Venus machine is a self-propelled scarifier made in Italy that has the potential to save us significant labor costs for maintaining the “hard pan” conditions we experience on our courts due to our poor water quality.

NEW BUSINESS: The next board meeting will be July 18 replacing June 27th and July 25th.

Through a motion by S. Day and seconded by R. Harkins the meeting was adjourned at 4:30 pm

Respectfully submitted,

Rob Harkins
Secretary