

**Mission Valley Golf and Country Club**  
**Minutes of the Board of Directors Meeting**  
**Monday, June 26, 2023**

The meeting was called to order by President Steve Day @ 2:31 PM Eastern Time.

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

Management present: Doug Slusser.

The Minutes of the previous board meeting, May 22, 2023, were approved as submitted. Motion to approve: K Drewery, second: R Harkins.

**MANAGEMENT FINANCIAL AND OPERATIONAL:** Mr. Slusser referred to the previously distributed Executive Summary and noted that May results represented a modest beat to budget. June looks outstanding, with Dues and initiation revenue running \$40K above budget. Inventory counts are taking place this week in each department in conjunction with the close of the fiscal year. Equity member attrition is running at 8%, which is below historic averages. There is no evidence as of now that the recently approved increases in dues and certain other fees will result in increased attrition.

Operationally, we have been informed that Sarasota County will be doing an aggressive pepper tree eradication project along the Legacy Trail this fall. This could substantially reduce the existing barrier between the Trail and the golf course, particularly next to the #6 green, and perhaps behind the #4 green. The reduced barrier presents security risks in terms of potential vandalism and unauthorized play. The new apartment buildings that have been built in that area present additional concern regarding unauthorized access to the course. As a result, Mr. Slusser and Dave Emmons are beginning to plan for the construction of a fence to mitigate these concerns. The type of fence, location and timing of construction will be studied further in the coming weeks. We continue to work to finalize the permitting for the installation of a new, dedicated water line from the street for our fire sprinkler system.

Our annual insurance renewal is nearing completion. We are looking at a 35% increase (to \$198K) in premiums compared to last year. Nearly all of the increase was in the property portion of the coverage. When finalized, we expect to have increased some coverages, including Directors and Officers liability and the Umbrella coverage (\$15 million), and to add a crime policy. For context, insurance costs were \$72K in FY22, and \$120K in FY23. Our contract with Pope Management expires 6/30/23, and as previously approved by the Board, our new PEO arrangement with Applied Business Solutions begins 7/1/23. The transition and employee on-boarding process are going as smoothly as could be hoped. We are providing enhanced benefits at reduced cost (to both the employees and the Club), and team members seem to be very pleased with the changes.

**FINANCE:** T. Grover. The Finance Committee met June 19, 2023, and minutes of that meeting were provided. Operating results through May YTD exceed budget by \$130K, and June could represent an

additional \$30-60K beat to budget. With a full fiscal year beat to budget of \$175-195K, the Finance Committee is recommending, as previously discussed, that \$100K be transferred back to the CARA fund to replenish a major portion of the \$165K of CARA funds that were spent on hurricane Ian clean-up. The Committee is further recommending an un-budgeted expenditure of \$35K for year-end performance bonuses for department heads. This is a reduction from \$70K in prior years. However, this past year salaries for department heads were raised substantially in order to bring them into line with the market. Mr. Slusser has regularly discussed with the department heads that as a result, bonuses this year would be substantially reduced, or eliminated entirely. Therefore, he expects that the proposed bonus levels will be well-received. Mr. Grover moved for approval for the two adjustments to our current year operating results. The first is to reinstate \$100,000 to the CARA reserve account, and the second is to approve \$35,000 for year-end performance bonuses for department heads. Second by K. Drewery. Approved.

The Finance Committee has developed the following Investment Policy to be considered for adoption by the Board: **The investment in insured certificates of deposits and US government backed securities (Treasury Bills) which include choice of investment, duration and amount may be made by the General Manger or Club Controller with the prior approval (in writing or email) of the Club's Treasurer or his or her designee. Any investments other than noted above should be reviewed by the Finance Committee and must be approved by the Board of Directors.** Motion to approve, D. Richardson. Second, C. Hornberger. Approved.

Lastly, Mr. Grover explained that with the transition from Pope Management to our PEO arrangement with Applied Business Solutions, the Club will need to establish its own 401K program (previously provided through Pope). We have worked with a sub-consultant to Applied to establish a safe harbor 401K. All employees that have been with the Club 2 years or more are immediately eligible. New employees are eligible after 1 year of service, and may join on either January 1 or July 1. The Finance Committee is recommending adoption of this plan, with an employer (Mission Valley) match of employee contributions. The Club has previously not made such matching contributions. Matching is tiered, with a maximum 3.5% matching contribution by the Club against an employee contribution of 6%. This would represent a new, committed, incremental expense to the Club of an estimated \$25-30K per year. However, it is felt that this would be a strong enhancement to the overall employee compensation package that would greatly benefit employee recruiting and retention. A constructive discussion ensued, with concerns noted about adding a new, non-discretionary expense item. However, it was generally agreed that the benefits expected to result from an enhanced ability to recruit and retain critical staff are more than worth the additional financial commitment. Motion to approve, C. Hornberger. Second, R. Harkins. Approved.

**LONG RANGE CAPITAL PLANNING:** H. Lyon. The Long Range Capital Planning Committee met June 19, 2023, and minutes of that meeting were provided. Bids have been received from Pro Pump (\$300K) and Rainbird (\$245K) for the replacement of the Pump House system. The Committee is recommending to the Board that the Club go with the bid from Pro Pump. Even though the cost is greater, the Pro Pump

system is compatible with our Toro irrigation system (Rainbird is not directly compatible), and as our existing provider, we have had a strong, productive relationship with Pro Pump for many years. Per Club By-Laws, this expenditure will require approval by a vote of eligible members of the Club. Sufficient funds will be available in CARA for this critical project, without the need for a member assessment. Time is of the essence for this project, therefore the LRCP Committee recommends that the Board approve this expenditure today, so that it may be put before the membership for a vote as soon as possible. T. Grover moved to approve \$330K (\$300K bid plus 10% contingency) for the Pump House system project. Second, S. Day. Approved.

**MEMBERSHIP:** C. Hornberger. There was no Membership Committee meeting in June. Our current membership is: 321 equity, 4 Corporate, 55 55 and under, and 274 Social/Social with Sport. 55 and under is capped at 55, and we have a wait list of 10. There are 110 on the Equity wait list. There will be some run-off in the number of Social members in July, consistent with our budgeted expectations.

**GREENS:** P. Cangero. The Greens Committee met June 23, 2023, and the minutes of that meeting were provided. Greens have been aerated, and the root growth that has resulted in large part from our regular aeration program has been strong, and the greens are healthy. Verti-cutting of greens is taking place to minimize graining. We are still waiting on our back-ordered leased Toro equipment. As our existing old equipment continues to fail, this is becoming a more critical matter. We will explore taking equipment as it may become available, instead of waiting to take it all at once, even though this might require some modification (staggering) of the package lease terms. The grass driving range has been closed, but will be opened shortly as the rains do seem to be coming. The Greens Committee has spent a lot of time discussing the poor condition of the turf on portions of 8 or 9 of our fairways. The problem is due to poor soil conditions, and resulting problems with nematodes. Initially, we will work four 20'x20' test plots to test three possible solutions (one plot will be untreated to serve as a control for comparison purposes). The three possible solutions would vary quite significantly in cost. Mr. Binder asked if would make sense to provide soil samples for analysis to the University of Georgia, which developed our particular strain of grass. Mr. Slusser noted that we are already providing soil samples to another lab for updated analysis, but it was agreed that we should also approach the U of G. The Greens Committee will keep the Board updated on the results of the lab analyses and the test plots. Whatever solution is ultimately chosen, it is likely to be fairly costly, and the Finance Committee and the Board will need to begin considering how to pay for it.

**GOLF:** F. Binder. The Golf Committee did not meet in June. As previously noted, the Committee will be issuing a communication to the entire Membership as a reminder of the requirement to post golf scores, particularly golfers who participate in tournaments and money games. Letters will also be sent to particular individuals who have been identified as not adequately posting their scores.

**HOUSE:** K. Drewery: There was no House Committee meeting in June. The new temporary ceiling in the breezeway has been completed. The Committee will consider conducting an updated survey on House operations/issues in the new season.

**TENNIS:** R. Harkins. There was no Tennis Committee meeting in June. Based on the growth of the active tennis membership, and the desire to rotate one court at a time out of play for maintenance, the Tennis Committee will be discussing the possibility of adding a 5<sup>th</sup> court. An analysis will be needed of the costs involved and the associated potential for increased revenue.

**NEW BUSINESS:** None

Through a motion by T. Grover and seconded by K. Drewery, the meeting was adjourned at 4:25 pm.

Respectfully submitted,

Dave Richardson  
Secretary