

San Carlos Golf Club

Annual Meeting

January 25th, 2018 6pm

Elks Club, Bonita Springs, FL

Attendance: Mike Allardyce, Theresa Randall, Bob Deeley, Shirley Milford, Ron Fisher, Al Schneider, Mike Dopslaff and Certificate Holders of the San Carlos Golf Club.

Absent: Board Member Keith Taylor

Secretary, Theresa Randall stated that we have a quorum of the membership.

President Mike Allardyce called the meeting to order at 1801 hours.

Motion by Charlie Ohanasian and seconded by Andy Tonkovich to accept the minutes from the Annual Meeting January 19th, 2017. Approved by all.

President Mike Allardyce welcomed all new members by name and recognized those present today.

Presidents Report: Mr Allardyce reported that most problems were caused by lack of water in the last year. We went 90+ days with no water and running 250 rounds of golf through the course really took a toll. We have drilled a new well which increased our water flow, and we are hoping that our pumps and irrigation system will hold together to ensure the course is in better condition this March than it was last year.

Repairs have been made to #4 green, hopefully that problem will no longer exist. Mr. Allardyce wished everyone had seen the golf course in August as it had never looked better. Then Hurricane Irma came and pummeled our course. We were 19 days without power. He thanked the members who live on the periphery of the course for letting the club use their water to keep the greens viable.

The Snack Bar has been improved and all work was done in house. The front circle has been upgraded. The flagpole area and cart barn has been reworked. We lost 240 trees on the course and Mr. Allardyce thanked the grounds staff for the gigantic effort to get the course back up and running. He also thanked the Insurance Committee who did a great

job in getting us \$225K to date. We have spent appx. \$90K for the Pro Shop and Tree Removal. Please feel free to thank the grounds crew when you see them.

Mr. Allardyce recognized Mr. Phil Voelker as he has a presentation for us.

Mr. Voelker read a letter he had sent to the Board of Directors and Shareholders, San Carlos Golf Club. Mr. Voelker stressed that we are a Florida Corporation and have fiduciary responsibility to preserve the value of the property owned by the Corporation. This duty should be primary and is documented in Florida Law.

He would like to see the Club undertake a capital budgeting plan which will address all capital needs over the next 5 years and develop a 25-year plan. The Club should operate no differently than a Condominium Association in establishing reserve funds for Long Term Capital needs. He supports the assessment.

Mr. Voelker stated that if the Membership are short-sighted enough to turn down capital raising efforts, then they will see the club bought by a developer on the courthouse steps.

Mike Allardyce agreed with what Mr. Voelker said but knows it's difficult to put a plan together when our hands are tied by the amount of money we can raise. If we get resistance for a \$1000 assessment, what are our chances for getting more money for needed capital projects? Mr. Allardyce stated that we are trying to get back to a break-even point and then possibly put \$10-15K aside per year towards a long-term plan. He stated that there was a period of 10 years where there were no dues increases. This is where the club has fallen behind on capital outlay money. He reiterated that if this assessment passes, the Board will only use the money to retire the greens debt. There are 259 active certificates, 14 of those are leases, 4 are looking to lease and 15 are up for sale. There were 38 revoked in 2017 due to non-payment. 4 of these have been returned to the club. 3 have been revoked in 2018 and 2 are currently past due. The Boards position is that we are holding those certificates in house as we do not want to undersell the members who are wishing to sell their certificates.

Our operational expenses are about 1.9 million and the membership capital contributions and dues paying memberships are garnering around 600K of that. 1.3 million is therefore coming from outside play. We are hoping that the reduced tee times will generate around \$50K per year. Our budget this year is break-even and hopefully \$10-15K on top of that can be added to the capital improvements fund.

The Snack Bar expansion currently stands at \$19,753, we are around \$5k away from our goal. Mr. Dopsloff has some ideas on how to raise the balance and we think that we will be able to start that project soon.

There is a wash-down area required by the EPA for grounds keeping equipment. This is mandatory and will cost us around \$80K. This has been a known requirement for the last seven years. If we do not come into compliance in the next 2 years we may see the course shut down.

The mold problem we had this year was created by the walk-in cooler. It is 30 years old and should be replaced and situated outside to prevent further problems.

Our Irrigation system needs attention, it is over 20 years old. The Pump on #13 is currently down. The pump and well on #17 is not useable and will need to be replaced. We are currently operating on one pump with no back-up, this cannot continue.

A question and answer session regarding the ongoing budget and forward planning ensued. Mr. Allardyce clarified that the greens note is for a 5-year period with 2 years remaining. There was a discussion on keeping vs selling the certificates on hand and it was explained that outside play covers most of our expenses and selling more certificates could reduce the amount of tee times available to the public.

A motion was brought to bring the assessment vote forward by Mrs. O'Connor and seconded by Mr. Skinner. All agreed. The vote for the assessment was finalized by the Secretary at 66 votes yes, and 88 votes nay. The vote failed.

General Manager: Mr. Dopsloff thanked the Board of Directors for their work this year. He stated that we would never have another year like this with drought, hurricane Harvey that dumped 20 inches of rain and then hurricane Irma who tore up the golf course. He thanked all who participated in the physical work done this year by members who saved the club and enormous amount of money. He thanked his staff for going above and beyond during the hurricane working in difficult circumstances for six weeks.

He reminded us that the website is a great resource for current information.

Treasurer's Report: Mr. Schneider reported that we ended the year with \$177,967 in cash with current liabilities of \$117,241 leaving us with a cash balance of \$60,726. We are using about \$25K of this money for the well and associated costs and \$74K for this year's Greens Note Payment. These two expenditures will consume the current year's Capital Contribution.

The Profit and Loss for the year reflects a loss of \$134,699 including a depreciation expense of \$110,979. This results in a cash outflow of \$33,720 from operations.

We began the year with \$98,836 net of current liabilities and ended the year with \$60,726 and outflow (loss) of \$28,110 cash.

We did receive \$200K from our Tee to Green Coverage after the hurricane and we have received an additional \$25K for lost revenue.

Mr. Allardyce asked for a motion to accept the President's General Manager's and Treasurer's Reports. Mr. Skinner made the motion and Mr. Baker seconded. All in favor.

Building and House: The building and house committee met 6 times during the year to refine what is needed. He thanked his committee members for endless hours of time donated. He thanked Bob Skinner, Claude Marengere and Russ Butler for tireless work on behalf of this club.

The committee are currently working on: The awning missing from around the water cooler. A cover over the gas pumps in the maintenance area. The equipment washdown. A more functional podium for the bag drop area. He has also seen many cosmetic items completed.

Future items on his wish list: Expansion of the small cart barn to create a member cart/bag area, adding to the snack bar, relocation of the cooler.

Greens and Beautification: The majority of the damage caused by the hurricane has been cleaned up. Holes and bare spots made by tree removal will be filled and sodded when growing conditions allow. In February we will start replacing trees and shrubs where they were lost and installing some Royal Poinciana's around the starter shack area. Other work for the tee box areas will be done as time allows. Mrs. Butler shared a long list of projects to be done when money is available. Mrs. Butler thanked all the members who helped with clean up after the storm and who planted 300 flowers and 2,000 seedlings. She would also like to thank those who donated to the beautification fund.

Blind Bogey Fund: Mr. Presto is standing in for Bob Allardyce and reports that the fund bought new Handicap Flags for the Club totaling \$ 508.13 leaving a balance of \$767.74.

Mr. Allardyce asked for a motion to accept the reports. Motion by Ron Knight, seconded by Bob Skinner. Motion carried.

Old Business: None

New Business: Mr. Marengere stated that too many handicap flags are being handed out and the drivers are getting way too close to the greens, he would like to see something done about it. Mr. Behan stated that our P & P manual says that parking should be 6 yards from the green. Mr. Dopsloff would like to see the drivers go straight up and back down from the stakes instead of trying to turn around at the green which tears up the sod. Mr. Allardyce asked that Mr. Dopsloff address this matter.

Mr. Marengere asked about the fence around #16, the Board is looking into this matter.

The Secretary, Mrs. Randall read the results from the Board of Directors Vote:

There were 4 vacancies and 4 candidates, so all are elected: Mrs. Butler, Mr. Mendito and Mr. Deeley were appointed for a 3-year term and Mrs. Knight was appointed for a 2-year term.

Motion to adjourn presented by Mr. Presto and seconded by Mr. Skinner. Meeting adjourned at 1950 hours.

Respectfully submitted

Theresa Randall

Secretary