

San Carlos Golf Club

Board of Director Minutes

09/26/2019

Attendance: Theresa Randall, Ron Tarantino, Max House, Terry Weller, Jackie Knight, Gary Keating

Absent: Keith Taylor, Seda Butler, Jim Mendito, Bob Deeley

Open Meeting Member Attendees: None.

President Theresa Randall, called the meeting to order at 1800 hours.

Motion to accept the minutes from the August Board Meeting made by Terry Weller, seconded by Ron Tarantino, minutes approved.

Presidents Report: Mrs. Randall said all that she was reporting on this month will be covered under New or Old Business and would wait for that time.

Vice President: No report

Treasurer's Report: Gross Profit less cost of goods for August was \$62,706.99, Expenses \$143,434.01, leaving a net loss of \$80,727.02. Total Checking and Savings accounts are \$279,799.67. Mr. Tarantino looked at the budget vs actual for last year and a budget loss of \$95K for August was expected., so we are \$15K ahead of what was projected.

General Manager's Report: Mr. Keating reported that the new rates for the 2019/20 season are completed. The Groups we have playing now will all pay the same rate instead of multiple different rates. He reported that the lights for the fire exit/emergency were not working and the Fire Marshall pointed this out. These have been corrected. He reported that 2 cash registers have now been installed which should speed up check-in for all. He is working on inventory with his new hire (Vanette) getting the computer corrected and the information current. The cost of goods was never entered into the computer, he reported that only 2 packing slips were found. This shows a problematic history on merchandising for the club which will be corrected. He reported that new scorecards are being prepared showing corrected yardage. He wants to make sure that people pick a tee to play from and stay with that tee. He is planning on not adjusting handicaps between tees to ensure that people are competing with people on an equal basis. This was suggested by the USGA (Joe Stein). Mr. Keating thinks that this is one reason people are not playing as they feel they are not able to compete against players who use different tees. He would like to see someone in each foursome be responsible for posting scores on a rotating basis to ensure all scores are posted. The Driving Range will be completed shortly with correct sized mats. There is now a clock on the starter shack and a PA system is installed to help with calling people to the tee on time. Mr. Keating reported

that he has booked a new group, Estero Men's Club who should have 60-80 players weekly, probably on Monday. Mrs. Knight mentioned that she had been advised that people from Shell Point were playing with the Moose at their rate, Mr. Keating reported that they are San Carlos members. Mr. Tarantino said that members need to realize that it doesn't matter where the people come from, if they are playing as part of a group, they get the group rate. A group is considered 16 players or more. Mr. Keating has the groups set up in the computer for the season and will sell tee times around those groups. Mrs. Knight spoke about groups who said that they would come with 16 players and turn up with 24 which made all tee times behind the group late and conversely groups who book tee times and then come with many less players leaving empty tee times. Mr. Keating will tighten this process substantially this season. This is a business and we must treat it as such, every tee time is revenue for the club. Mr. Keating wants to work with the members to get this implemented in a professional way.

Motion to accept Presidents, VP, Treasurer and General Manager reports by Max House and seconded by Terry Weller. Motion passed unanimously.

Committee Reports:

Building & House: Mr. Weller said that all Board Members are aware that the permit has been denied as we don't have a survey or elevation certificate. The Elevation Certificate has been ordered at a cost of \$250. The Engineer will be given the Certificate and will amend the drawing as required. There was a discussion on getting a Survey of the property as we do not have one, an estimate will be asked for. Mr. LoFranco will work with other trades to address what other items were on the rejection list. Door to the Starter Shack needs repair as a sprinkler head is hitting it.

Greens and Beautification: Seda Butler absent, no report.

Golf Rules: Jackie Knight, no report.

By-Laws: Max House brought up issues with our voting procedure and will put together a committee to address.

Insurance: Theresa Randall, no report.

Policies and Procedures: Max House, no report

Membership: Seda Butler absent, no report.

Safety: Terry Weller, no report.

Marketing: Bob Deeley absent, no report.

Motion made by Ron Tarantino to accept committee reports, seconded by Jackie Knight, reports accepted unanimously.

Suggestion Box:

It is requested that ice cold towels be on the course and burgers/hot dogs on the grill should be available at the turn. Mr. Keating will address

Maintenance employees have been seen on cell phones continuously, suggested keeping them in lockers during their shift. They do have walkie talkies so Jason can get hold of them. Mr. Keating will address.

Old Business: The Budget was discussed at length. Mr. Keating says it is aggressive, but attainable. We are operating at a loss. A loss of \$68K is expected in 2019/20. Expenses have risen in some cases dramatically (more than 10%) and we see no way to tighten them further without affecting quality. Mr. Keating has gone over the last several years expenses and feels this budget is as accurate as possible at this time. Mr. House made a motion to accept the budget, seconded by Ron Tarantino, passed unanimously.

Mr. Keating reported that there is interest in buying Certificates and he expects some to be sold shortly.

Mr. Tarantino asked for approval on the By Law changes he presented last month. He expressed a need to explain this change to the membership. Simplifying the fees and making single golf the least you can pay for ensures all members pay a similar amount. The new Capital Replacement Fund will get 20% of dues and the Capital Contribution will be incorporated into Dues. This will align us correctly with the IRS (all monies will be taxable) and a future Board can opt for Not for Profit 501c7 Golf Business status which will leave our dues non-taxable for members. The public will still pay taxes. Motion to accept the By Law Change by Jackie Knight and seconded by Terry Weller. Approved unanimously.

Update on the Roof Claim. Our Insurance company denied our Assignment Of Benefits. The roofing company (Webb) put us in contact with their attorney. Their attorney would take this up and get a portion of the money (if paid) by our Insurance Company. Our portion of this would be the deductible. Our expenses to date are appx. \$39K and our deductible is \$45K so we would be responsible for the difference if the claim can be re-opened. If we cannot get the old claim re-opened, we would be responsible for \$45K. This would be for a claim of \$145K to fix our roof. There is a possibility that more damage could be found when the roof is opened and that would increase the claim. We have a broken rafter in the cart barn. We have damaged garage doors in the cart barn and roof issues between the Pro Shop and Snack Bar. We need to maintain our buildings. Mr. Keating will copy and distribute to all Board Members to read and absorb the legal paperwork.

New Business:

We are being asked if members could self insure for their golf cart liability. Motion to allow golf cart owners to self insure by Ron Tarantino and seconded by Terry Weller. Vote is No and is unanimous.

Mr. Tarantino wants to change the Managers (Superintendent and Snack Bar) to get raises based on their budget performance to encourage remaining on track. Mr. Keating likes this idea and would like to see merit based raises, he will look into it. Mr. Keating is also meeting with his staff to outline minimum and maximum pay for the position they occupy.

Mr. Tarantino would like to bring to the Board an issue between Golf Now and Troy Speckman. On June 11th of 2019 Mr. Tarantino asked Mr. Speckman for a copy of the current contract with Golf Now. He was provided with the contract that Mr. Dopsloff had signed in January of 2016. This contract renews annually in January each year. This contract was for a single tee time trade (4 players) per day at a cost to the club of appx. \$72K per year with no rollovers. This was a good deal for our club and garnered many players we would possibly not have had otherwise. Since Mr. Speckmans departure we have found out that he signed another contract with Golf Now in April, 2019 which obligated us to 2 tee times per day with rollovers (these are tee times which are rolled over when our club is closed) and a 5% fee for bookings through Golf Now. This will cost the club appx. 200K per year. Mr. Speckman did not bring this to the Board at all and this will be a huge drain on our club. We did discuss trying to break the contract but Golf Now is owned by NBC and has deep pockets for lawyers etc. Mrs. Randall believes we should move forward. Mr. Keating will meet with Golf Now to see if anything can be done, if not, it will be up for renegotiation next year.

Mr. Keating has ceased an 'agreement' with Golf Tek who had been using our facilities to teach, again without Board knowledge or agreement. This was done with no charge to Golf Tek. It is unknown if this was an agreement with Mike Dopsloff carried on by Mr. Speckman or if it was Mr. Speckmans deal. Mr. Keating will accept no other teachers on our facilities without specific consent from the Board. Teaching on our facility by non-employees is a liability for the Club.

The Board has received a letter from Mr. Allardyce regarding the increase in Trackage this year. He believes this to be more than is allowed in the By Laws. Mr. Tarantino noted that By Law 3.6 covers this item directly. Mrs. Randall will respond.

Next Board Meeting: October 24th, 1800 hours, San Carlos Golf Club.

Terry Weller made a motion to adjourn at 2046 hours, seconded by Ron Tarantino, Board Adjourned.