

MGC Board of Directors Meeting Monday 15 Dec 2014

Members in Attendance:

President: Michael Mulcahy
Secretary/VP: John Foottit
Finance: Michel Gagné
House Chairman: Daryl Craig
Greens Chairman: Peter Beerli
Club Captain: Don Green
Membership: Ken Maheral

Staff in Attendance

Head Pro and Manager: Dan Kolar
Greens Superintendent: Bill Hudson

Decision Record

1. The meeting was convened at 18:00 hours.
2. The Board of Directors (BoD) Decision Record for the 24 November meeting was approved and will be sent to members.
3. With a view to keeping meetings as short as possible, a pro-forma outlining the sequence of events for each Board meeting was approved. It was also agreed that ad hoc and routine reports would be circulated to each Board member before each meeting.
4. It was decided to keep the operation of the kitchen/restaurant as is at least until the end of fiscal year (FY) 2016 because:
 - the current service provider was unwilling to have her contract cancelled or amended;
 - there were likely to be legal repercussions if the contract was changed unilaterally;
 - the business case (profits exceeding losses) for assuming operation of the kitchen/restaurant had not been demonstrated.
5. The President reported that he had met with the Ladies' President on the 1st of December. A formal response to the offer to create a

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temporary, non-voting Board position for a ladies' representative is expected.

6. The Pro/Manager gave a short summary of the benefits of being a member of the National Golf Club Owners Association, including: cheaper insurance, the availability of some industry cost benchmarks for comparison, and some discounted products and services.
7. The auditors have advised the Finance Chair that a 2015 capital expense (fertilizer) cannot be assigned to the 2014 fiscal year. The club can, however, continue to pre-pay for this item to take advantage of discounts from suppliers, but must show it as a pre-paid expense. The implementation of this "generally accepted accounting principle" will put additional pressure on our 2015 budget.
8. The auditors have finished their on-site work. The Finance Chair expects to meet with them by mid-March to review their full report.
9. It was agreed that Finance, at Michel Gagné's suggestion, will develop a written budget process and pro-forma. This will include an improved Profit and Loss (P & L) report, incorporating budget Year-to-Date (YTD) information. Salaries will be clearly separated from other expenses. Budgeting will begin in July of each year to allow more development time and to allow members to see the following year's rates earlier.
10. Internal financial control processes will be reviewed, beginning with the bar. The Manager and the House Chair will develop a price-setting formula for bar products so that these prices will objectively rise or fall according to the unit procurement cost of any given item.
11. The Finance Chair and his sub-committee believe that revenues for 2015 may have been overstated and that more conservative estimates should be used. This was accepted. Henceforth, the month of April will not be included in the budget forecast (in April 2014 we lost all but one (1) day to green fee play because of weather). Finance will prepare a one-page report for distribution to all members of the club to reinforce the gravity of the club's financial situation.

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12. The Finance Chair will review the method of payment options for the new mower (capable of cutting evenly over uneven terrain) and will make an appropriate recommendation.
13. For his November P & L update, the Finance Chair reported that revenues from basic memberships (single and couple) have been down significantly from budget for the last 3 years: 2012: \$550,000 (\$550K); 2013: \$528K; 2014: \$459K. The largest contributing factors were debt servicing costs (\$25K to \$30K) and declining membership, green fee, and bar revenues. Finance predicts an operating deficit of between \$50K and \$75K for the year ending 31 December 2014.
14. Finance is recommending a \$150K cut to the 2015 Greens budget (22% of current Greens budget). The Greens Chair will review this proposal with the Greens Superintendent and report back to the next meeting.
15. Finance will undertake the drafting of a Capital Plan, so that all capital costs (those that result in the acquisition of a tangible asset) can be more accurately anticipated. For example, our water pump is nearing the end of its life cycle.
16. The Pro/Manager will arrange for a briefing to the Board of Directors (BoD) by a representative of Reservation Masters at our next meeting (an on-line tee time booking system).
17. It was decided to proceed with the preparation of discounted green fee cards for sale to the members. Each member will be offered the option of purchasing only one card (for 4 players) at the time of membership renewal, for use in regular green fee play, at a discounted price (\$100 plus HST has been suggested, concordant with our club centennial). The green fee cards would only be valid for the 2015 golfing season and would have to be paid for by 1 June 2015. The Pro/Manager will arrange for the printing of discounted colour-coded green fee cards. Members will be advised of this opportunity through an "e-mail blast".
18. The President will approach some members who have real estate/land transaction experience to solicit their help in forming an Advisory Committee to develop options for the use or disposal of the approximately 100 acres of farmland owned by the club. Should any

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other members feel that they could contribute, please contact:

board@mississippi.ca

19. There are currently 81 subscribers to the club's New Years party.
20. The next meeting will be on Monday 19 January 2015 at 18:00 hours
21. The meeting adjourned at 20:15 hours.

John Foottit
Secretary/VP

If any member has a question or a concern, please contact me at:

john.foottit@gmail.com