

Shareholders' Meeting Wednesday 6 May 2015

Decision Record

1. The meeting was convened at 19:00 hours (7 PM).
2. After verifying that a quorum was present, motions to dispense with the reading of the notice of the 2015 spring meeting and the 2014 Annual General Meeting (AGM) minutes were presented and carried.
3. A moment of silence was held in remembrance of those who were close to the club and had died since the fall AGM: Joan Bond, Mary Murphy, J. C. Smithson, Kelsey Sonnenburg (daughter of Brian and Nancy), and Jack Wright.
4. After a presentation of the 2014 financial audit report by our accountant, Ben McNeely, a motion was presented and carried to approve the report as circulated. The firm of Kelly, Huibers, and McNeely was also appointed as auditors for our 2015 fiscal year. The Board will consider a suggestion to present a statement of operations next year by Department.
5. A motion to amend paragraph 14.2 of the bylaws concerning borrowing limits was presented and carried. This amendment is a clarification rather than a change: "The Board of Directors must submit any contract or transaction of a value exceeding 5% of the previous year's annual total revenue (instead of "income") for approval and ratification at any annual meeting of the Shareholders ..." In short, given that the club normally brings in about \$1.1 million per year, the Board can proceed with financial transactions up to a value of approximately \$55,000 without obtaining prior approval from the shareholders.
6. At its next meeting, the Board will consider suggestions to honour with some form of wall display the founding members of the club and those who organized and funded the expansion to 18 holes.
7. It was raised to the members' attention that the Pro Shop was using volunteers in the club storage area ("paid" by a green fee for every 3 hours worked). While this is consistent with the Manager's current contract, a concern with regard to legal liability associated with workmen's compensation was tabled. The Board will investigate this issue; in the interim the practice will be stopped.

Shareholders' Meeting Wednesday 6 May 2015

8. A briefing by Gayle Stanley on the activities of the Centennial Committee was presented. A summary is attached.
9. A briefing was presented by the Secretary/VP on current issues of interest to the members. A summary is attached.
10. A summary is attached of the questions from the audience noted by the Board members.
11. The meeting adjourned at 20:45 hours.

John Foottit
Secretary/VP

If any member has a question or a concern, please contact me at:
john.foottit@gmail.com

BoD Briefing to Spring Shareholders' Meeting 2015

Elaboration of PowerPoint Slides

1. The presentation covered: membership, green fees, greens budget and impact of cuts, greenskeeping staff, and the capital plan. Questions were invited at anytime.
2. We have a much larger number of players in the 40 to 70 age bracket than we do in lower age groups. We're currently "losing" them out the top faster than we're "gaining" them at the bottom.
3. Our membership numbers have been steadily declining for several years. We were at 383 last year. There was a jump to 436 in 2012 - the year that we reduced initiation fees from \$3500 to \$1000.
4. The rate of membership decline has been about 2.4% annually for the last 6 years. Over the last 2 years this has increased to about 6%. Our membership revenue was \$601,000 (\$601K) in 2014. We therefore budgeted \$601K minus 6% = \$565K for 2015.
5. Ongoing recruitment initiatives include the waiving of the \$1000 initiation fee for our 2015 centennial year; an increase in the advertising budget from \$5K to \$10K; and offering one booklet of discounted green fee tickets for sale to each member. We had planned to introduce an online booking system that would also be available to green fee players, but the user interface was not satisfactory. The Board will work with the vendor, Reservation Masters, with a view to improving it and introducing this system in 2016.
6. Our full green fee rate is \$47 weekend and weekday (\$41 for guests of members). This is higher than 10 other local courses by about \$5. The Board recommends no increase. Our twilight rate is currently \$30 after 14:00 (2 PM) during the week only.
7. Our green fee revenue has also been declining steadily, from \$256K in 2011 to \$196K last year. Our budget for this year is \$215K.
8. We are forecasting an increase in green fee revenue this year because of a new Ladies' Public League on Wednesday late afternoon (fully subscribed); we continue to budget only for the period from 1 May to 30 October; centennial year visibility; new penalties for "ghost bookings"

BoD Briefing to Spring Shareholders' Meeting 2015

and “no shows”; holding 2 full rate green fee slots for each weekday morning; based upon interest from the company, Corporate Golf revenue will likely increase from the \$25K paid in 2014.

Notwithstanding, it is understood that weather could nullify all of these potential gains.

9. In 2014 we budgeted \$675K for course maintenance (greens budget). We actually spent \$562K. For 2015 our budget is \$521K, a reduction of \$39K from the 2014 actual and \$154K from the budget for that year.
10. The greens budget and actual operating expenditures (OPEX) are quite variable from year to year because of weather, our on site inventory of supplies such fertilizer and herbicides, and pesticide requirements.
11. There will be 3,270 fewer person hours of maintenance performed this year than last because the number of seasonal full time employees has been reduced from 7 to 3 and the number of seasonal part time to 12 from 15. We continue to have 3 full time greens staff (superintendent, assistant, and mechanic).
12. The impact of the cuts to the greens budget will be: an expansion to the area of rough (naturalized areas); a single greens cut per day; less trimming around trees; sand traps will not be raked daily; tee boxes will not be square cut; and there will be fewer fairway aerations.
13. The Ottawa Valley Turfgrass Association (OVTA) conducted a survey of their member courses in 2014 and share advance data from 8 other 18 hole courses (identified only by a number rather than by name and having greens budgets in the \$500K to \$700K range).
14. Seven of eight had a full time mechanic and an assistant greens superintendent. The average number of rounds played was 28,333 (33,763 at Mississippi).
15. The average greenskeeping operating budget was \$603K. Mississippi was \$675K (although we actually spent \$562K). The highest was \$700K and the lowest \$500K.

BoD Briefing to Spring Shareholders' Meeting 2015

16. To simplify the results, the Secretary/VP assigned a weight of 2 points for each full time greens employee; 1.5 points for each full time seasonal; 1 point for each part time seasonal; and .5 point for each full and part time summer. The average staffing level "score" was 23.5. The high for the 8 courses under consideration was 32 and the low 15. Mississippi was 26.5 in 2014 and 21.5 this year.
17. The Canadian Golf Superintendents Association also did a member survey in 2014. For 18 hole semi-private courses in Ontario, the median number of staff employed was 3 full time, 10 full time seasonal, 6 part time seasonal (the "score" for this would be about 25.5). The median operating budget was \$680K (our budget this year: \$521K).
18. The message is clear: It's time to set aside the persistent rumour that we have too many greenskeeping staff. Most of the employees that the players see working are part time seasonal and we must have an additional 1.5 employees seasonally because our watering system is not automatic (these people work at night).
19. A Capital Plan estimates the value of each asset costing \$1000 or more. This could include, for example, water pumps, water pipes and sprinklers, mowers, leaf blowers, aerators, dishwashers, freezers, furnaces, and roofing shingles.
20. We currently have a capital expenditures (CAPEX) special assessment of \$275 per year for each member. In the past, these funds have also been used for OPEX (operating expenditures), but this practice has now been stopped as the result of an audit finding.
21. We will need a new CAPEX special assessment beginning in 2016. The Board will share the Capital Plan with the members once it is complete. A special meeting of shareholders will be held later this summer (before budget planning commences) to discuss this revised assessment and the potential sale of the approximately 86 acres of farmland currently owned by the club.

John Foottit
Secretary/VP

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

BoD Briefing to Spring Shareholders' Meeting 2015

john.foottit@gmail.com

Shareholders' Meeting 2015 Questions

This document is not a transcription. Most questions from the floor during our Wednesday 6 May meeting have been captured, but some may have been missed in the press of events. Some questions have been blended in the interests of brevity.

1. The value of the buildings in the 2015 audit report is listed as \$900,000 (\$900K). Why so low? Answer: Fair market value is not used in financial reporting. (A 2008 realtor's assessment valued the buildings at \$2.2M)
2. Why is the income statement (AKA statement of operations; profit and loss statement) in the audit not broken down by Department? Answer: It could be. The Board will take this suggestion under advisement for next year's audit.
3. Does the existing outstanding mortgage on the clubhouse include the farmland owned by the club? Answer: Yes; the two were blended some years ago. The land mortgage was \$149K in 2005. If a decision is taken to sell the land, a refinancing negotiation with the Bank of Montreal will be necessary. Our total long term debt is currently \$347K.
4. House operating expenses listed in the 2014 audit report of \$98,000 (\$98K) seem high. Answer: There are 88 line items in the House budget. The largest for this year are: electricity (\$30K); janitorial contract (\$13.5K); building repairs (\$5K); furnace and plumbing repairs (\$5K); propane and natural gas (\$4.5K); janitorial supplies (\$4K). These 6 line items constitute 72% of the total 2015 House budget (\$87.5K).
5. Why not recognize the founders of the club and those that organized and financed the expansion to 18 holes? Answer: The Board will take this under advisement.
6. If we continue with not charging an initiation fee, how much money will be lost? Answer: Approximately \$32K over the next 4 years.
7. If we switch to the online tee time booking system called Reservation Masters, will it handle our weekend lottery? Answer: Currently, no. The Board will be working with the vendor to

Shareholders' Meeting 2015 Questions

improve the application, with a view to introducing it in 2016 if the user interface can be improved and other enhancements added.

8. Should we not add weekend slots reserved for green fee players and increase those available during the week (currently at 2 per morning)? Answer: The Board would like to stay with the current arrangements until more experience has been gained. If a reserved slot is not booked by the day before, the Manager will open it for member use.
9. When do twilight rates start? Answer: The twilight rate of \$30 begins on Monday at noon and 13:00 (1 PM) other days during the week. Some members advised that this information is not correctly posted on the club's website. The Manager will ensure that this is corrected. Twilight rates are not currently available on weekends, but this could be considered if there are tee times going unused.
10. Does the club have a system in place for tracking, reprimanding, and subsequently fining those people who engage in the practice of "ghost" bookings (where some players are listed but do not intend to play)? Answer: The Manager is tracking these incidents informally, but the Board will consider a more rigorous approach. Documentation concerning a code of conduct incident that occurred last June have been placed in the appropriate member's file.
11. How long before a scheduled tee time must a member cancel the appearance of a player to avoid a "no show" (players that do not appear for their reserved tee time). Answer: Up to one (1) hour before.
12. Why are volunteers being used in the golf bag storage facility? Answer: The practice is permitted in the Manager's current contract (to address the ongoing need for bag storage staff while acknowledging the drop in membership numbers) but the workmen's compensation liability has not been considered in light of the fact that the workers are "paid" with a green fee ticket for every 3 hours worked. The practice will be stopped until the Board can review it at our next meeting (1 June 2015)

Shareholders' Meeting 2015 Questions

13. Is the Board considering selling the farmland that we own and if so can we not subdivide it? Answer: The land is currently zoned as strictly agricultural (no buildings; only crops), so subdividing it may not provide sufficient acreage to a prospective buyer. Information is being gathered with a view to selling it. This information will be shared with the members and an approval vote sought as part of the new Capital Plan (also under development).

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

john.foottit@gmail.com

Centennial Committee Briefing to Spring Shareholders' Meeting 2015

The primary goal of this committee is to facilitate the celebration of the 100th Anniversary with minimal impact on both the course and the budget. The committee received approximately two pages of suggestions from the members. We developed three categories

Celebrations: those which celebrate the event during the year

Legacy Projects: those which will have a long term impact on the club

Fundraising: those which will raise the money to pay for it all.

Celebrations

Celebrations will be kicked off with a Wine & Cheese on Sunday 31 May from 2 to 5. Formal program to start at 2:30.

Hickory Golf: Sunday 28 June

Pro/Am: Wednesday 5 August

Dinner/Dance will be held on Saturday 8 August. Price to be announced.

Legacy Projects

Plant 100 trees: This will be done over several years and trees will be sponsored at \$100/tree. Sign up sheet is on bulletin board beside the bar. No cost to the club.

Composite Benches-will be available to sponsor (price to be determined). Sample available for viewing at the Wine & Cheese. No Cost to the club.

Entrance enhancement-Granite signs will be installed on each of the stone gate posts. The club has a credit with the granite company that does the tee signs so no cost to the club.

Flag pole: A new flagpole will be erected between the pro shop and the club house. The Sunshine Boys are sponsoring this project and will pay the costs over time (have already paid \$500). Although the club will pay the initial costs, ultimately no cost to the club.

Centennial Committee Briefing to Spring Shareholders' Meeting 2015

Anniversary book-is under production by Joe McLean. This will be an 8.5 by 11 hard cover coffee table book. It will cover the history of the club largely in pictures with the last chapter focusing the anniversary year with pictures of all the 2015 teams and from the various events throughout the season. Price to be determined and orders will be taken prior to printing.

Fundraising

TV Raffle-55" LG Smart TV and Sony sound bar tickets \$10 each or 3/\$20

Draw to take place at the dinner/dance

Membership Raffle: \$1000 towards 2016 Membership (can be used anywhere on Mississippi Grounds) 10 each or 3/\$20

Draw to take place at the fall annual general meeting (AGM)

Silent art auction: original works of art by members. On display starting May 31. Winner to be announced Saturday 8 August. Anyone wishing to donate can contact Joanne Kolar.

50/50 draws to be held throughout the season.

The centennial flags in use on all greens were paid for by the Men's Night organization (approximately \$700).

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

stanleysanitation@sympatico.ca