

MGC Board of Directors Meeting Monday 23 March 2015

Members in Attendance:

President: Michael Mulcahy
Secretary/VP/Acting Finance Director: John Foottit
House Chairman: Daryl Craig
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 2015 budget was amended to reduce the expected green fee revenue by \$40,000 (\$40K) to \$215K. The money for this reduction was taken from a projected surplus of \$44K. The anticipated green fee revenue now reflects an increase of about 9% over 2014. This amount is judged to be reasonable because of:
 - the application of penalties for “no show” and “ghost” bookings;
 - the creation of a Wednesday evening Ladies Public League (fully subscribed); and
 - holding 2 weekday morning tee time slots for green fee players only.
3. A briefing on the 2014 golf course audit was given by the accountant - Ben McNeely. The results can be summarized as follows:
 - There were neither significant internal control issues nor any disagreements with management;
 - The club should standardize all seasonal employment agreements by adding rate of pay and term of contract;
 - The auditors did not include a “going concern” qualification to their audit opinion because they are comfortable that the club can continue operations in the near term. In short, we have debt obligations (e.g. mortgage) but are generating enough revenue to cover the payments. The club currently has 2 lines of credit (both of which are not being used) and a \$56K reserve fund;

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- A significant adjustment of approximately \$46K (\$46,000) had to be made with regard to prepaid expenses because such purchases have to be assigned to the budget of the year in which the asset, such as fertilizer, is actually used, rather than the budget year in which it was ordered. This will be consistently done in future; and
 - There was a shortfall in earnings over expenses in 2014 such that our net assets went from \$629K to \$565K.
4. Following a short discussion with the accountant, it was agreed to bring forward a bylaw amendment to clarify section 14.2 concerning borrowing limits so that it will read as follows: “The Board of Directors must submit any contract or transaction of a value exceeding 10% of the previous year’s annual total revenue (*instead of “income”*) for approval and ratification at any annual meeting of the Shareholders ...”)
 5. In an effort to attract new members and remain competitive with other local courses, it was decided to eliminate the \$1000 initiation fee for the centennial year for new members only, beginning on 2 April 2015. The effect of this initiative will be assessed later in the year.
 6. The Manager reported that there are still 99 members from last year who have not yet paid their 2015 fees, including a deposit that was due on the 1st of February. The Board will therefore be exploring means to encourage early payment, such as the use of credit cards and discount incentives for early payment.
 7. It was determined that the Spring Shareholders’ Meeting will be held during the evening of Wednesday 6 May 2015 and that 3 briefings will be scheduled:
 - The results of the 2015 audit (Ben McNeely CPA);
 - Centennial Year activities (Gayle Stanley); and
 - Board of Directors’ take on membership and green fee revenues, greens budget reductions and their impact, the Ottawa Valley Turfgrass Association (OVTA) survey of greenskeeping staffing levels, and an overview of the Capital Plan (John Foottit).
 8. Dan Kolar advised that there are some members who tend to be slow paying their outstanding balances at the Pro Shop for purchases made in 2014. Accordingly, it was agreed that the course would implement a policy of “net 30 days” for outstanding balances and that members who

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do not pay on time could be subject to a loss of playing privileges after 60 days.

9. The Greens Superintendent reported that:
 - all course machinery is now ready for the upcoming season, with the exception of the golf carts, which are currently being worked on (about 20 completed so far);
 - the course passed its Integrated Pest Management audit with a score of 100%;
 - the pump house pressure tank should be replaced with a relief valve - he will have an estimated cost for our next meeting;
 - over the winter he brought in about \$2000 (\$2K) in additional revenue from sharpening equipment for 2 other golf courses. This amount may be expected to increase modestly in coming years; and
 - we will need to ask for volunteers to assist with course opening and closing as well as some ongoing tasks such as refilling ball washers.

10. A reservation for a private birthday party comprising 50 to 100 people was accepted for the late afternoon of Saturday 25 April. A notice to members will be posted on the front door in advance to remind them that the main lounge area of the club house will not be available during this event.

11. To improve the internal financial controls on bar operations, the Board approved the purchase of a software package called Visual Touch (for \$5,540). This application is currently in use in the Pro Shop. It will simplify the bar sales process and track all bar sales against inventory, so that monthly stock taking will be accurate. It is also completely compatible with the software (QuickBooks) used by our bookkeeper (Bob Mikels), thereby facilitating tracking and reporting.

12. The meeting adjourned at 21:25 hours.

13. A supplementary 2-hour meeting was held on Sunday 29 March to discuss the Reservation Master (RM) online tee time booking software. It was agreed that the user interface for members was not yet mature enough for implementation. The Board will work with RM over this season to improve the application, with a view to purchasing it for use in 2016. In the interim, our contract with the current Buz system, which does not allow online green fee reservations, will be renewed.

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14. The Greens Director, Peter Beerli, also reported that our (up to) 30 year-old irrigation system was at the end of its life cycle and must be replaced, including the water pumps. Provincial environmental authorities are also leaning on the club to use water more efficiently and to accurately measure the quantity used (a capability that we do not currently have). The irrigation system will be a key component of the club's Capital Plan, which is now under development. Once it has been completed, a special shareholders' meeting will be called before budget setting begins in August 2015 to review it and to make a decision with regard to the amount of a CAPEX (capital expenditure) special assessment.
15. The next meeting of the Board will be on Monday 27 April at 18:00 hours.

John Foottit
Secretary/VP

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