

EL PASO GOLF CLUB
2015 ANNUAL STOCKHOLDERS MEETING - Minutes
February 11, 2015

CALL TO ORDER:

The annual meeting of the Stockholders of the El Paso Golf Club, Inc. was held on the above date in the clubhouse. The meeting came to order at 6:31 pm with 33 stockholders present and 27 represented by absentee ballot. Present were directors: Berry, Fitton, Nickrent, Schulkins, Sharkey, Snider, Stuckel, and B. Wilson. Directors Homan, Smalley, and Young were absent. Also present were employees: Duncan, Harris, Unzicker, L. Vance, and Westfall.

Chris Sharkey, current board President, welcomed everyone to the annual stockholder's meeting and addressed the stockholder's in general about the past years activities and the agenda for the evening.

- First, thanks to the staff and committees for all their hard work and contributions – we had a great job all year!
- The 2014 golf season was not without its challenges for us and golf courses nationwide. In an industry that depends on weather, membership, daily green fees, cart rentals, pro shop and restaurant sales, many golf courses across the country are experiencing a decline in their memberships and revenue. We as a board have strived to maintain a manageable balance between income and expenses while meeting these challenges head on.
- Our course stayed in great shape all year despite the weather challenges. Overall fewer rounds were played which means less green fees, cart fees and lower dollar sales in the restaurant. A big Thanks again to Lane, Greg and the crew for working hard to keep the course in the shape we are accustomed to seeing.
- Congrats to the Girls Golf team on placing 3rd in Dwight Regional with an overall record of 10-9. Senior Morgan Henkelman shot an 88 to advance as an individual state qualifier.
- Congrats to the Boys' Varsity Team on heading to back-to-back the Class A State Golf Championships. Both Branden and Michel Mounce earned 3rd place individual honors.
- Special thanks to all the sponsors and individuals who made our 4th of July fireworks display a huge, huge, success. We received nothing but rave reviews on the display!!
- For 2015 – the board voted to hold the line on dues, while supporting modest increases in shed rent, trail fees, and cart rental.
- Again in 2015, we will be advertising for new members to stay at our cap.
- Although the year wasn't without its challenges, we as a club were still able to maintain and provide what we all should feel is the best deal and value in the area. As a board we will continue to work to maintain fiscal responsibility and with your help look at ways to continue to improve our club. We look forward to a great 2015!!

SECRETARY'S REPORT:

Jill Berry read the minutes of the previous stockholder's meeting and they were approved, without changes, on a motion by John Heitz and seconded by Christine Street.

TREASURER'S REPORT:

Roxane Schulkins presented the treasurer's report. Schulkins stated that 2014 was a very difficult year for all golf courses including ours, and yet we came very close to meeting our budget for 2014. A huge thank you goes out to Paul Westfall for doing a great job on taking care of our books.

Schulkins reported the following – **all figures are YTD as of December 31, 2014 and compared to 2013:**

- Golf Course:

- Total income down ~\$26,674
- Dues down ~\$14,818, due to moving ~\$10,000 from 2014 into 2013
- Cart rentals down ~\$7,474 and cart cards up ~\$4,776
- Trail fees down ~\$1,675
- Greens fees down ~\$15,280
- Waiting list and initiation fees down ~\$6,600
- Building expense down ~\$4,920
- Chemicals down ~\$4,920
- Payroll down ~\$156
- Net income down ~\$1,158
- Pro-shop:
 - Total income up ~\$15,902
 - Cost of goods sold up ~\$20,055
 - Payroll expenses down ~\$505
 - Net income down ~\$4,794
- Restaurant:
 - Total income up ~\$5,190
 - Beer sales down ~\$5,394; liquor up ~\$2,270; wine down ~\$392 and soda down ~\$2,850
 - Food sales up ~\$11,237
 - Cost of goods sold up ~\$5,223 (in inventory, ~\$5,915 for food, beer, wine, liquor and pop)
 - Payroll up ~\$356
 - Net income up ~\$6,735
- Miscellaneous:
 - Total net income up ~\$783
 - At the end of December, ~\$6,737 was in the bank (end of December 2013, ~\$1,498 in bank)
- Potential options to improve income in 2015:
 - Prepaying for gas and diesel to take advantage of the lower prices.
 - Increase in golf cart rental cost and increases in trail and shed fees.
 - No salary increases.
 - Increase in membership – budget is based on 450 members; however our cap is at 475.

The treasurer's report was approved on a motion by Bob Werkman and seconded by Mike Mason.

PROPOSED BY-LAW CHANGE:

Jill Berry presented the proposed by-law change – as proposed by the L. Vance: allow the Board of Directors to add a membership category or alter an existing membership category at any time during the year. This flexibility will allow EPGC to have memberships that are competitive with other golf courses and clubs, and to fit the current economics of the area. Brief discussion was held with the stockholders on the proposed change, followed by a ballot vote.

Results are as follows:

- By-Law Change – Article II, add a new section 15, allow the Board to add a new or alter existing membership category:

Passes	For – 56	Against – 2
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See page 6 for the details on the by-law change.

BOARD OF DIRECTOR ELECTIONS:

Six (6) candidates had properly notified the Secretary of the Board of Directors of their intentions to run for election to the Board for Directors for 2015 for four (4) openings – they were: Jill Berry (seeking re-election), Chris Sharkey (seeking re-election), Sam Steach, Christine Street, John Street and Chris Weikel. Five (5) of the six (6) candidates were present at the stockholder's meeting and were allowed time to speak to the stockholders. Since there were four (4) open positions and six (6) candidates, an election was held using ballots for those in attendance and the requested absentee ballots that were sent in by the required deadline. The stockholders were instructed that they could vote for up to 4 candidates; only one vote allowed for a candidate. The Election Judges (Jane Breakville and Terry Vance) collected the ballots; they were added to the absentee ballots already received. The judges proceeded to count the ballots while the meeting continued to the overall discussion of the club operations and committee reports. Elected to three-year terms to the Board of Directors were (in alphabetical order): Jill Berry, Chris Sharkey, Sam Steach, and Chris Weikel. Thanks to Jane and Terry for their assistance!!

GOLF COURSE (Grounds and Equipment) – Matt Stuckel on behalf of Don Young reported the following:

- Thanks to Lane, Greg, Mike and the entire grounds crew for a job well done throughout the year. It was another tough weather year, and our course looked great!
- Thanks to committee for all their input and work this year. The committee members along with the staff were: Matt Stuckel, Vicci Brandel, and Randy Brooks.
- Grounds:
 - Probably the most rain ever early in the season – a number of times the grounds crew had to clean up after heavy rains. #9 bridge had to be replaced after huge ice chunks carried it down stream.
 - Cut down some of the dead trees throughout the course.
 - Additional trimming of pine trees on #4 and #14 – which have received many compliments.
 - Expanded the tee box on #5 white tee and #8 blue tee was redone.
- Equipment:
 - Purchased a new rough mower (demo) – after many attempts to repair and save the old one. The cost of all the repairs was credited back towards the new mower.
 - Thanks to Mike Schwartzentruber for keeping everything in working order.
 - Thanks to Mary Dart for an awesome job in making our course look beautiful. And thanks to those that helped Mary – Jan Sharkey and Chris Sharkey, Jr.

HOUSE – Restaurant/Clubhouse – Barney Fitton on behalf of Kathy Smalley reported the following:

- Thank you to Lane Vance, Rhonda Duncan, Stacey Unzicker, and their staff for all their hard work this year in the restaurant and bar. Also, thank you to a great committee, along with the staff – Barney Fitton, Ben Wilson, and Terry Vance.
- The restaurant did well this year – both the sales and profit were up compared to last year.
- The full menu was offered Tuesday through Saturday and was well received.
- Will be evaluating the menu and prices over the next couple of months and looking for ways to cut costs, but keep consistency and efficiency.
- Continued Happy Hour Homemade Pizza nights and Friday and Saturday night specials.
- Added heaters for the deck to allow longer use of the outside facility.

HOUSE – Pro Shop – Barney Fitton reported the following:

- Thanks to Steve Fulton, Kyle Tague and their staff for a good year.
- YTD Rounds for 2014: ~29,630, down approximately 4% over 2013 (first time the total rounds were fewer than 30,000 since 1999). 2014 YTD rounds were also down approximately 9% over the 10 year average.
 - Member/guest split on rounds: Members – 73.3%; Guests – 26.7%.

- Pro Shop sales were up this year approximately 19% over 2013. Steve and Kyle are doing a great job with merchandising.
- We will be reviewing the utilization of permanent tee times over the next year.
- Stockholder discussion:
 - *Matt Haas*: We should allow 5somes on Thursdays.

HOUSE – Social – *Barney Fitton on behalf of Kathy Smalley* reported the following:

- Continued same social events in 2014, with most being well attended. The Christmas Party, Valentine’s Dinner and July 4th were great.
- Fireworks returned in 2014 –Thanks to Chuck Feeney for all his hard work in making this possible for both EPGC and the community. Donations came from local government and businesses and Gene Lacher stated that the subdivision was making a considerable donation.
- Changed the Cruise Night to a Cash Bash event, however it was not well received and we had to cancel at the last minute. Looking for other options for 2015.
- Upcoming events:
 - Happy Hours on Fridays through April 3rd
 - February 28 – Trivia Night
 - March 15 – Open House

MEMBERSHIP – *Randy Snider* reported the following:

- Membership has been running below cap of 475 (high of 462).
- Waiting list is at 0.
- Lowered initiation rates by ½ until March 30.
- Proposing a by-law change that will allow us to set up a new membership category as we discussed earlier.
- Have let members know they can bring a prospective member to play for free.
- Providing a Corporate Package of rounds – Lane and Kyle are leading this effort.
- Will continue a variety of advertising.
- ~302 stockholders for 2014 (down from 2013).

PLANNING & PERSONNEL – *Randy Snider* reported the following:

- Insurance:
 - Blue Chip policy was renewed
 - RFP was sent out for commercial policy renewal in 2015
- Reviewed all HR procedures and updated our HR policy book.
 - Thanks to Barb Taft for her assistance on the review of our HR policy book and other manuals.
- Established an annual one on one with our salaried employees.

AUDIT COMMITTEE:

Chris Weikel presented the audit committee’s report for 2014 on the receipts and licenses for the restaurant and golf course. Weikel stated that overall conclusion of the committee was that EPGC operates in a very professional and competent manner. The committee reported that all critical aspects of the examined operations are performed soundly – no known deficiencies, and that the committee sees improvements each year. Weikel complimented the entire staff; management and board of directors on a well-run organization. Thanks to Lane Vance and Paul Westfall for their assistance. Committee members: Chris Weikel and Sam Steach.

GENERAL MANAGER'S REPORT:

- *Lane Vance*: General discussion on the budget for 2015. We tried to be realistic on the projections which were based on actuals from the previous year.

OLD BUSINESS:

- No old business at this time.

NEW BUSINESS:

- No new business at this time.

GENERAL COMMENTS:

- General discussion on possibly adding another cart shed. *Board*: not an option at this time.
- *Gene Lacher*: Outings – how are things going with our outings? *Lane Vance*: held steady for the most part – we lost some about 3 years ago, but it has been steady since.
- *Becky Wilson*: Do we have twilight rates? *Lane Vance*: We have a 9-hole rate, which is generally equivalent to twilight rates.
- *Lane Vance and Chris Sharkey* acknowledged and thanked Barney Fitton and Kathy Smalley for their years of service on the Board; their terms ended as of this meeting. Both will be presented with a plaque acknowledging their service to the Board and EPGC.

ADJOURN:

The meeting adjourned at 7:29 pm on a motion by Matt Haas and seconded by John Sutton.

Respectfully submitted,

Jill Berry

Jill Berry, Secretary

2015 EPGC Proposed By-Law Changes

Below is the proposed By-Law change recommended by the Board of Directors. The proposed changes is numbered and identified by the article number and section number. The proposed change includes the proposed by-law change and a brief reason for the change. The changes are in bold lettering and underlined (deletions are ~~lined out~~ as well) and highlighted.

All approved By-Law changes will be effective as of 11:59 pm February 11, 2015.

ARTICLE II – Members Qualifications, Etc.

1. ***Add new section:***

“Section 15. The Board of Directors at their sole discretion may add membership categories or alter existing membership categories, as applicable, at any time.”

Reason: *To offer better flexibility any time during the year to add or alter a membership category to fit the current area economics and to stay competitive with other golf courses and clubs. For example, the need to add a young adult membership to attract new members; this would currently take at least a year to accomplish.*

The EPGC Board of Directors unanimously **RECOMMENDS** this amendment.