

EL PASO GOLF CLUB
2019 ANNUAL STOCKHOLDERS MEETING - Minutes
February 13, 2019

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 6:32 pm with 33 stockholders present and 48 represented by absentee ballot (3 of which also attended the meeting). Present were directors: Aaberg, Berry, Fulop, Heitz, Koth, Snider, and Young. Directors Arends, Homan, Schulkins, and Rackauskas were absent. Also present were employees: Buster, Harris, and L. Vance.

A moment of silence was held for our members who recently passed: Frank Smith, Dick Malcom, and Rod Roof.

Randy Snider welcomed everyone to the annual stockholder's meeting and addressed the stockholder's in general about the past year's activities and the agenda for the evening.

- On behalf of the Directors, and myself, we would like to thank the staff and employees for all their hard work, loyalty, and contributions – you did a great job all year, and are a major part of our success! You are an integral part of what makes our club the success and value that we as members enjoy.
- We would also thank those members who serve on the Golf Course, House, and Planning/Membership committees and those that volunteer their time to help with our social functions, club events, and high school golf tournaments.
- It seems that each year we talk about the challenges that the golf season presents. This year was no different unfortunately, as we had snow in April and November, and several other weather related events. You will hear during the Treasurer's report about those impacts to our budget.
- For 2019, the BOD approved a slight increase in our dues, green fees, and cart fees. Our club is no different than any other business that is experiencing increases in the cost of doing business.
- After the Treasurer's report, we will open the floor for any questions you may have regarding the 2019 budget.
- Our goal is always to continue to provide a great golfing experience and value for your money.
- A special acknowledgement to Lane, Greg and the grounds crew for their efforts in maintaining our golf course. I am sure most of you witnessed the hard work of the grounds crew removing hundreds of dead trees. I feel we have the most well-kept and beautiful venue in central Illinois!!
- A special thanks goes out to all our sponsors and individuals who donated our 4th of July fireworks display. The fireworks would not be possible without their donations. We received many comments that the fireworks were the best ever. Please thank our donors and frequent their businesses.
- We were very proud to continue to host several ISHA events this year:
 - 2018 Heart of Illinois Conference for both boys and girls
 - 2018 IHSA Boys Class A Regional

- 2019 HOIC conference championship
- 2019 Illini Prairie championship
- 2019 IHSA Boys sectional
- Thanks to all our members who participated throughout the year in our club events and congratulations to all the Club Champions and other award winners.
- **Looking forward to a great 2018!!**

SECRETARY'S REPORT:

Jill Berry reviewed the minutes of the previous stockholder's meeting and they were approved, without changes, on a motion by Ben Wilson and seconded by Pam Russell.

TREASURER'S REPORT:

Jill Berry presented the treasurer's report on behalf of *Roxane Schulkins*. Schulkins would like to thank Paul Westfall for doing a great job on taking care of the books for the golf course. Schulkins would also like to thank Lane for all of his assistance throughout the year.

Berry reported the following:

- We had a challenging 2018 season.
- Our total income for the year was down 5.5% from 2017 due to snow in April and an unusually cold fall.
- Our mortgage balance at the end of the year was \$330,780 and it was due for a rate increase in June. We decide that it would be in the best interest of the club to refinance the loan in January and take out an additional amount to cover future projects that will be necessary to maintain the quality of our club.
- We plan to make a small increase in dues and in the restaurant which will help with our bottom line and allow us to start a fund to finance the purchase of new carts.
- In 2018, we purchased a new trap rake and remodeled the lower level bathrooms. We were also able to buy new dishes thanks to the hold-in-one fund.
- El Paso continues to be a great place for outings and events. Last year we took in \$262,412 in revenue from those outings and events.
- We still have room for new members – so if you know of anyone that is considering joining a golf course, let them know we are one of the best deals in the area!!!
- General comments/questions:
 - Did we look at the options of a line of credit versus a new loan? Board: yes, all options were reviewed, and the best rate and deal was to go ahead with the refinance and cash out.
 - Are we looking at new carts? Board: yes, we will be looking at carts in the next few years, after the next set of batteries and the loan is paid down.
 - Have you considered doing a steak fry? Board: yes, we are looking to do a steak fry on a weekend and/or Thursday.
 - We have locked in pricing for fuel for the year at a good rate.

The treasurer's report was approved on a motion by Bev Patton and seconded by Tom Kearfott.

BOARD OF DIRECTORS:

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 2019 for three (3) openings – they were in alphabetical order:

Kurt Cochran, Paul Homan (seeking re-election), Branden Mounce, Clay Payne, Randy Snider (seeking re-election), and Don Young (seeking re-election). Three (3) of the six (6) candidates were present [Mounce, Snider, and Young] at the stockholder's meeting and were allowed time to speak to the stockholders. Berry read a brief statement provided by each of the three (3) candidates that were not in attendance [Cochran, Homan, and Payne]. Since there were three (3) 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 four (4) candidates; only one vote allowed for a candidate. The Election Judges (Dave Koth and Bev Patton) collected the ballots; they were added to the absentee ballots already received and counted. 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): Randy Snider, Paul Homan, and Don Young. A huge *Thanks to Dave and Bev for their assistance!!*

GOLF COURSE (Grounds and Equipment) – *Don Young* reported the following on behalf of *Doug Arends*:

- Thanks to Lane Vance, Greg Harris, and all of the staff for their energy, dedication, and pride in making our club one for the best in the area. A job well done!
- 2018 brought a lot of activity to the course – some of the accomplishments include:
 - *Trees removed*: about 90 trees were removed mostly due to the ash disease and wind damage
 - *Stumps*: L. Vance removed all the stumps with a vermeer stump grinder donated by member Steve Kool. A huge thanks to Steve!
 - *Trees planted*: we planted a variety of about 30 trees last spring and fall, with plans to fill in the other areas needed this spring. We will actively continue our tree replacement program.
 - *Bunkers renovated*: We changed the bunkers on #3, #7, and # 17 to reduce erosion towards the greens, and to greatly improve the drainage. We are also changing to a more modern appearance to our overall bunker program.
 - *Bunkers removed*: Bunkers on #2, #7, and #17 were completely removed and seeded or sodded.
 - *#17 front tee*: enlarging this tee to help reduce stress with all of our outings.
 - *Hand rails*: added additional handrails were installed on both steps on #1 tee.
 - *Cart paths*: are under continual repair by patching as needed.
 - *Drainage improvements*: drainage tiles were placed on #11 and #12 fairways. Other small areas were addressed throughout the property as needed.
 - *Major cleanup*: along with cleaning up all the tree debris, the crew completely cleared the hill in front of the #16 tee. They also did an excellent job cleaning up and trimming over all of the property.

- *Carts*: our long range plan for carts will be to start replacing them after the next set of batteries. We will continue to address all steering, brakes, and alignment issues.
- *Equipment*: the new trap rake was greatly improved the conditions of our bunkers and our greens mowers that we purchased in 2017, have greatly improved the putting quality of our greens. All equipment is naturally aging, but we are blessed with people who can fix and sharpen just about anything!! Thanks Lane, Greg, and our mechanic Mike – this is a huge financial savings!!
- Overall we feel that the course is in excellent playing condition, our staff and crew are doing outstanding work, and we are improving the future value our great club.
- General comments/questions:
 - Ed Powell: do we have a succession plan in place for our key employees? Board: we are working on a new plan.
 - Ben Wilson: have we considered using the white tees for outings, since the tees get so beat up? Board: we are working on a blended/hybrid tee program – more about this later.

HOUSE – Restaurant/Clubhouse – *Jeff Aaberg* reported the following on behalf of *John Heitz*:

- Thank you to Lane, Chelsie, Rhonda, and their staff for all their hard work this year in the restaurant and bar.
- Some of our accomplishments in 2018 included:
 - The toilets and broken divider walls in both bathrooms in the basement were replaced.
 - New toilet paper and towel dispensers were put in the main level bathrooms.
 - New dishware was purchased for the dining room.
 - Replaced most of the lighting with LED lights and plan to do the rest as time and money allow.
 - All of the carpeting in the bar, dining, room, pro shop, the upstairs office, and the stairs has been replaced.
- Plans for 2019:
 - As of now, no major renovations are planned for the clubhouse or dining room.
 - Will be reviewing the menu to see what changes might be needed.
 - Looking at the possibility of a steak fry or two over the season.
 - Looking forward to a very successful season in 2019!!!
- General comments/questions:
 - Rick Reno: can we get soap dispensers on both sides of the sinks?

HOUSE – Pro Shop – *Jeff Aaberg* reported the following on behalf of *John Heitz*:

- Thanks to Steve, Bev and their staff for a good year.
- YTD Rounds for 2018: ~30,104, down approximately 2,485 rounds from 2017 (~32,622).
 - Had very poor weather in April, October, November, and December attributing to the drop in rounds.

HOUSE – Social – *Jeff Aaberg* reported the following on behalf of *John Heitz*

- Had live entertainment 3 times last year and hope to continue this in 2019.

- Had a very successful Martini Night and we will add them to the drink menu either as weekend special or as a regular item.
- Plans for 2019:
 - Will work with L. Vance to get dates for future entertainment.
 - Looking at some sort of member event on Memorial Day weekend – probably on that Sunday.

MEMBERSHIP – *Tom Fulop* reported the following:

- At the end of the year we had 456 memberships. Membership mobility was 35 for the last year. The level of membership in categories has remained relatively consistent over the last several years. (Cap is 475)
- Cart wait list – 90
- 270 stock holders
- Initiation fee to remain at \$150

PLANNING & PERSONNEL – *Tom Fulop* reported the following:

- Conducted one to one interviews with leadership staff (Lane, Chelsie, Greg, Mike S., Rhonda and Steve). The interviews were intended to solicit feedback from employees on: season overview, relationship with the board, supervisory relationship, morale and any noteworthy employee conflicts). The overall consensus was that it was a good year given poor weather conditions effecting play. Employees are maintaining a positive work environment.
- L. Vance continues to provide steady leadership in maintaining a part time crew; effectively providing excellent golf grounds maintenance and food service.
- Effective communication among the board. Email correspondence – will use reply all.
- Reviewed all personnel files.
- The board has been discussing a key employee succession plan as some senior employees will retire in the next few years. L. Vance plans to stay on for a couple of years after to oversee a smooth transition.

GENERAL MANAGER'S REPORT – *Lance Vance* reported the following:

- Working on improving the program the club uses to send out emails.
- Fiber optics – we will need to change our email address then we can have it installed.
- Memberships: former members do not need to pay the initiation fee again until we meet the cap.
- We have a great membership – thanks for sticking with us!!!!

OLD BUSINESS:

- No old business at this time.

NEW BUSINESS:

- General comments/questions:
 - J. Lartz: What are we doing about marketing the club? Board: we will be using the papers, as well as social media, e.g., Facebook.
 - T. Kearfott: Have we considered installing the video gaming machines? Board and J. Aaberg: talked to 3 gaming vendors; machines need in line of sight of

bartenders and they also need to be 21. We do not have the space to accommodate what is needed to install. In addition, we would most likely only be given 1 or 2 machines and the company said it would not be worth it. We are looking into have a Queen of Hearts game (or whatever card we decide to use).

GENERAL COMMENTS:

- *Audit Committee Report: 2018 Annual Audit:*
 - Overall, great job and you have a very knowledgeable staff.
 - No major issues or recommendations. Some minor suggestions include:
 - Consider performing a dues reconciliation
 - Increase sample size for income review
 - Passwords – make sure all passwords are at an acceptable level for strength; don't use standard words, such as, "password"
 - Sales Tax – feel L. Vance is taking all the appropriate actions.
 - L. Vance will update the labor postings; recommend a 6 month review for content to identify if there are any updates
 - Consider setting a records retention policy
 - CPR/AED training will be held for the staff in late February
 - Rob Hembra will lead the audit for 2019.

ADJOURN:

The meeting adjourned at 7:318 pm on a motion by Doug Grinstead and seconded by Rick Reno.

Respectfully submitted,

Jill Berry

Jill Berry, Secretary