

2023 EPGC Stockholder Meeting

February 15, 2023

Call to Order - Doug Arends reported the following:

Start 6:05 pm

* Welcome everyone to our 2023 Annual Stockholders Meeting

* We want to thank our club membership for all of their support to the board as we attempt to accomplish all of our goals each year.

* We will have all of our committee leaders reflect on our 2022 attainments later in the meeting.

* On behalf of all of the Board of Directors and myself, we want to thank our staff and all of our employees for their contributions to the success of our great club.

You are all very important in making our club such a great value to our members.

* We would also like to thank all of our members who volunteer their time to Club committees, Club events, social functions, high school golf tournaments, and any general improvements to our golf course and club.

* Each year we are faced with increased expenses and financial challenges to keep our club where we want it to be.

* Last year we purchased 68, 2022 Yamaha electric carts, greatly improved our cart paths and completed our greenside bunkering program.

We also established a new cart washing area, built a new safety rail by the creek on #11, and continue to progress with our tree replacement program.

We also added an ADT security system to our property which includes 8 cameras to monitor both inside and outside of the clubhouse.

* I believe that everyone is aware of the increase in minimum wages and overall operating costs for our club.

Taking this into consideration, the Board of Directors felt it was necessary to raise dues and fees in 2023, keeping in mind that we want to offer the best golf club value in the area to our members.

* After the Treasurer's report, we will address any questions that you may have concerning our 2023 budget.

* A special thanks goes to Lane and all of his grounds crew and maintenance team .

Because of their efforts, I feel that we have one of the most beautiful and well manicured properties in Central Illinois.

Thanks to Brandi, Mike, and Matt for their efforts in our bar, kitchen , and pro shop areas, respectively.

* Our outing revenue was once again over \$250,000 which allows our club to remain very competitive with our dues and fees.

* We enjoyed another tremendous 4th of July , with special thanks extended to all of those businesses and individuals that donated to the fireworks display.

Thanks to all who were involved with this first class presentation.

* Thanks to all who helped our club to host several area golf teams and IHSA events.

We are very proud to assist with Youth golf and excited that everyone loves to play our golf course.

* Congratulation to all of our Club Champions and thanks to everyone who participated in club events and our different leagues.

Thanks to Matt for his support of our membership ,through outings, lessons, youth program, and all other golf activities .

* Finally, I want to Thank all of our Board and Lane for their support throughout the year and their assistance in accomplishing everything that was possible.

Thank you all

Have a tremendous 2023!!!!

Secretary's Report – Doug Arends reported the following:

Each stockholder had access to a copy of the minutes for the 2022 stockholder meeting. You should have had a chance to review it. We will now call for a motion to approve the minutes.

The Secretary's report was approved on a motion by Roxane Schulkins and seconded by Don Young.

Treasurer's Report - Roxane Schulkins reported the following:

Last year, due to a very wet spring, we had a late start for our golf season.

However, the golf side of our business did well. We were able to complete several projects, including repairs to the cart paths, improving the sand traps and buying two tee mowers. And of course, we purchased a new fleet of Yamaha golf carts.

As you know, Matt Schuerman, our head pro, took over the ownership of the pro shop last season. He did a nice job of supplying clothing and equipment for our members and guest. Please continue to give him your support by purchasing your golf course clothing and supplies from him.

Our restaurant continues to face challenges, due to staffing shortages and the rising cost of food and minimum wage. Our menu items, dues, green fees and cart

fees were raised slightly to cover the increased cost in food, supplies and labor. Last year we received additional funds from the government for retaining our employees during the pandemic. This helped us to complete several projects that we needed to keep our course in great shape, which once again earned us the 11 th spot in the Golfers' Choice, best courses in Illinois designation.

At the end of the year, we had \$102,253 in the bank. This will allow us to start a fund for future projects needed.

We continue to have a waiting list for our membership, so if you know anyone that is considering joining a golf course, let them know that they need to get on our waiting list soon.

Balance Sheet & 2022 Actuals vs Budget and 2023 Budget

See attachments A

SH Question – Steve Gregory - Balance Sheet – 2021 report; land versus course value;

Response – Roxane - the original purchase of land versus improved course value. She will get back with the

Steve Gregory - Contract labor, what is that.

Response - Roxane - accounting services, payments to Roxane

The treasurer's report was approved on a motion by John Heitz and seconded by Tim Strader.

Introductions of Director Candidates by Doug Arends

Reading of suggested by-law changes and Board opinion by Doug Arends

Additional opinion on by-law changes provided by Ben Wilson

GOLF COURSE (Grounds and Equipment) – Don Young reported the following:

Weather:

We started the year with one of the coldest and wettest springs we've had in years. The rest of the year, however, we had many many nice days to golf for our enjoyment.

Superintendent:

We started the year with a new Superintendent, Joe Roberts. We lost Joe when he resigned in late June. We can't thank Greg Harris enough for coming back and filling a few days a week, at this critical time, to help in areas of need to keep our course looking great. I would also like to thank Lane and the entire grounds crew for their dedication and hard work in making our club one of the best golf courses in the area!

New Golf Carts:

We purchased and received 68 new Yamaha golf carts! Yay! These new carts were well received by our members and guests.

Projects:

We were able to continue to renovate many more of our green side bunkers. They look great and are much more playable. We look to, maybe, do a few more green side bunkers as well as fairway bunkers as dollars permit.

We re-surfaced/ blacktopped most of our cart paths and did the areas that were the worse, which sure made a difference, and hope to finish the rest when dollars permit.

We also added permanent yardage markers 100, 150, 200, that mowers can mow over. This saves a lot of time of removing and replacing during and after mowing.

This year we continued to cut down trees and removed dead limbs. We also planted 9 new trees this fall with money from our tree fund.

Equipment:

We purchased 2 new greens mowers and a tee mower that we started the year with.

There was lot of issues with our rough mower early on, and we waited on parts to repair. We also had Heritage welding shop solidify it with a weld. As of now it is good.

We also had issues with the spray tank.

Overall, the rest of equipment is good, however the cost of parts has gone up greatly and in the future we might be looking into leasing instead of purchasing new equipment.

We are looking at possibly purchasing a new runabout this year if dollars allow.

I want to thank Mike Swartentruper for keeping our equipment in good working condition through out the year. We also are possibly looking into hiring an apprentice that can work and learn from Mike for his replacement? Someone who could also work on the grounds.

Golf course:

As far as the greens, fairways, rough, and tees were in good condition through out the year.

Our spraying program went very well this year with very little diseases. The program we use is suggested by our chemical rep.

I would like to thank Kim Barth and her two helpers for their hard work with our flowers and plants, which adds beauty to our course.

I would also like to thank Doug Arends for his many hours he has put in on different projects in these past years. Also thanks to others who have helped with some of these projects.

Grounds/Equipment Information:

Dave Koth and I met with Lane and Mike this fall at the maintenance shed and went over in detail all of our equipment. We also received copies of the list of the equipment.

Lane and I, late this fall, drove the full 18. He showed me a number of things with regard to our irrigation, electrical boxes, shut off valves, pump house etc. while I took notes. Lane also gave me a copy the detailed chart of the 22 electrical boxes we have.

Irrigation system:

Our irrigation system is holding up ,but, we continue to have many leaks, sprinkler heads and water line's breaking etc. With that being said, we will be needing a complete new watering system in the future. The rough cost of that is around a million dollars. I would like to suggest we might start a fund that would go directly to this. Members could contribute to this fund directly or anonymously as they choose. We could also have fund raisers that would be designated to this fund.

In closing, I am proud to belong to this great golf course and humbled and honored to represent our great membership as a board member.

House – Tim Strader reported the following:

- Good evening everyone
- First off I want to thank all who have been involved in our clubhouse operations.
 - o Pandemic health issues are taking a back burner but the fallout from two years of this have taken a dramatic toll on the restaurant industry. Our leadership team of Lane, Brandi and Mike should be proud of the way they have persevered through this once in a lifetime occurrence.
 - They have seen payroll climb significantly as a result of legislative and marketplace dynamics.
 - Supply chain issues and availability of product have added to that burden.
 - And we all know, food prices have swung wildly – meat, eggs, poultry and pork each hit all-time highs. At one time a head of lettuce was \$5.
 - o Through all of this our leadership have kept the operation well-staffed, they have maintained a varied menu and all of this with smiles on their faces and the level of hospitality we have all come to expect.

- Once again, our great thanks to Lane, Brandi and Mike for making all of this happen. And if you should have the opportunity, I'll ask that you also extend your appreciation.

- **The Numbers**
 - We hosted nearly 120 clubhouse events last year. This is in addition to keeping the wheels on daily service.
 - There were 20 club events. Events such as the Open House, Member Apprec, and such ... And what a great Member's Appreciation dinner we had. It was outstanding!
 - 36 golf outings which contracted for food service
 - 20 miscellaneous events such as class reunions, showers, retirement parties, ...
 - 10 holiday parties such as Christmas, NYE, Mother's/Father's Day, ...
 - We hosted the HOIC boys and girls golf tournaments
 - As well we had 24 HS golf matches
 - And then we have the weekly men's league, two ladies leagues, Wednesday couples and last but not least the junior golf program
 - Let me throw in kudos to Matt Schuerman and his leadership involvement with the on-course activities. I will expand on the Pro Shop shortly.

- I mention all of these activities so that you may have an appreciation of how we attempt to fully utilize our facilities. As well I hope you gain an appreciation of the complexity of coordinating all of this through the course and clubhouse.

- **Going forward**
 - Food prices will continue to go up and fluctuate wildly.
 - Minimum wage will continue to go up \$1/hr for the next two years.
 - Staffing will continue to challenge us, which means we will most likely need to pay more if we want to retain excellent staff.
 - We are currently working on menu changes which will affect a few food options, some additions/deletions. We can expect prices to be increasing as well.
 - Profitability for the restaurant has seen a steady 4 year decline. Some of this is Covid related. Nonetheless, one of our primary goals for 2023 will need to be to address the profitability trend.

- **From the Pro Shop**
 - Staffing has been an issue. Looking forward we believe that we have returning staff that will provide more stability and experience.

- As with the restaurant, the Pro Shop encountered supply chain issues. Orders made in March did not arrive until after Christmas!
- Having said that, Matt was able to provide us with a nice variety of clothing and equipment.
- I'm sure you have noticed that we moved the cart cleaning to the south of the cart shed which helped with traffic flow coming off of number 9. We also added equipment to further assist in cart maintenance – power washer and washer/dryer (for towels)
- The Junior Golf program was mentioned previously – we had a healthy number of participants last year – 42. Matt, with the help of Don Young, Mick Duffy and Harrison Brooks provided our youth with a very nice, interactive experience.
- And when it came to member events, numbers were even or slightly up from 2021.
- As you may remember, we instituted an employee/independent contractor approach for the Pro Shop year. This arrangement continues to serve all very well.
- And for those in the crowd with a need to know, the trophies for the 2 Person, Couples, and Club Championship are expected to be available at the Open House on March 12.

In summary, our Pro Shop and bar/dining operations are foundationally sound. Areas of focus will be with continued consistency and quality of all operations, with a need to improve profitability.

I will now gladly entertain questions.

SH Question – Rich Gafney – employees in pro shop paid by Matt or Club?

Response – Strader – paid by Club.

Sh Question – Rich Gafney – Does the club get all cart fees?

Response – Strader - Yes.

MEMBERSHIP – Tom Fulop reported the following:

- 515 adult memberships billed for 2023. 9 members have officially dropped out.
- Membership should be capped at 475, but a final count will not be available until April.
- Approximately 70 members on the wait list for the cart shed with 3 new gaining a spot for 2023.
- Overall, membership has been strong compared to similar clubs.
- General increase in fees across the board - cart shed, cart rental, etc.

PLANNING & PERSONNEL – Tom Fulop reported the following:

- The focus this year has been to hire a new Superintendent and General Manager. An advisory
- committee was formed to conduct and make hiring recommendations to the board. The
- committee was comprised of Daniel Maffeo, Randy Marten, Lisa Sparks Matt Schueman and
- board members Roxane Schulkins and Thomas Fulop. After an extensive search and multiple
- interviews for both positions, the committee recommended Danny Luebbert as SI starting
- 03.01.23 and Rick Robbins as GM starting 02.27.23.
- Lane will remain on staff as a consultant through July 01, 2023.
- For nearly a quarter of a century, Lane has been a part of EPGC. He has given his heart and soul to the club to make it what it is today. We/I am grateful for your years of service, unwavering dedication and work ethic. Your efforts throughout the years has made golf at EPGC a highlight experience.

SH Question – Schulkins – has a significant bump in fees been considered to address future goals?

Response – Doug Arends – a committee will be created to take up how to fund future goals.

BOARD OF DIRECTORS: There were 6 positions available, and 11 Stockholders submitted their intent

OLD BUSINESS: • No old business at this time.

NEW BUSINESS: Candidate Selection: 3 year terms – Marten, Mounce, North, Schulkins, Walker

1 year term – Spachman

5 of the 6 by-law changes were rejected, one accepted.

GENERAL COMMENTS: • Nothing additional at this time.

ADJOURN: The meeting adjourned at 7:37 pm on a motion by Doug Kridner and seconded by Tim Strader.

Respectfully submitted,

Tim Strader

Tim Strader, Interim Secretary

EPGC Board of Directors

Attachment A
2022 Balance Sheet

Dec 31,
2022

ASSETS

Current Assets

Checking/Savings

HEARTLAND BANK & TRUST	14,498.99
HEARTLAND BANK MM	87,753.76
Total Checking/Savings	102,252.75

Other Current Assets

Inventory Asset

BAR/RESTAURANT	19,611.87
Total Other Current Assets	19,611.87

Total Current Assets **121,864.62**

Fixed Assets

CLUB CART SHEDS	152,142.73
CLUBHOUSE	
EQUIPMENT	19,055.09
CLUBHOUSE - Other	1,731,402.31
Total Clubhouse	1,750,457.40
GOLF COURSE	795,040.91
MEMBER CART SHED	132,580.00

Total Fixed Assets **2,830,221.04**

Other Assets

OFFICE EQUIPMENT	10,220.24
EQUIPMENT AND TOOLS	1,523,655.61

Total Fixed & Other Assets	<u>4,364,096.89</u>
Less: Accumulated Depreciation	- 3,813,750.28
Less: Accumulated Amortization	<u>-4,101.00</u>
Net Fixed & Other Assets	<u>546,245.61</u>
TOTAL ASSETS	<u><u>668,110.23</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	3,192.00
Other Current Liabilities	
Queen of Hearts	13,850.00
Payroll Liabilities	<u>1,534.18</u>
Total Current Liabilities	15,384.18
Long Term Liabilities	
Heartland Bank - Mortgage	<u>334,267.23</u>
Total Long Term Liabilities	<u>334,267.23</u>
Total Liabilities	352,843.41
Equity	
Capital Stock	5,850.00
Retained Earnings	139,733.19
Stockholder Equity	390,574.84
Net Income	<u>-220,891.21</u>
Total Equity	<u>315,266.82</u>
TOTAL LIABILITIES & EQUITY	<u><u>668,110.23</u></u>