



2016 Membership Meeting

March 29, 2016



Overview

- Introduction
- Financial Performance
- Reserve Fund
- 2016 Dues and Fees
- Summary
- Open Discussion



2016 Board Members

- Peter Gorski, Chairman
- Larry Welford, Vice Chairman
- Lloyd Harrison, Treasurer
- Colby Keilty, Secretary
- Sean Gleason
- Deborah McManus
- Open-Social/Tennis
- Ed Gillis, Asset Management Liaison



Management Staff

- Patrick Feindt, PGA – Head Professional
- Dave Smith, Superintendent
- Heather Allen, Harbor Club Manager
- Jim Light, USTA – Tennis Professional
- Jesse Dwyer, Finance/Administration



2016 Year End Financial Review

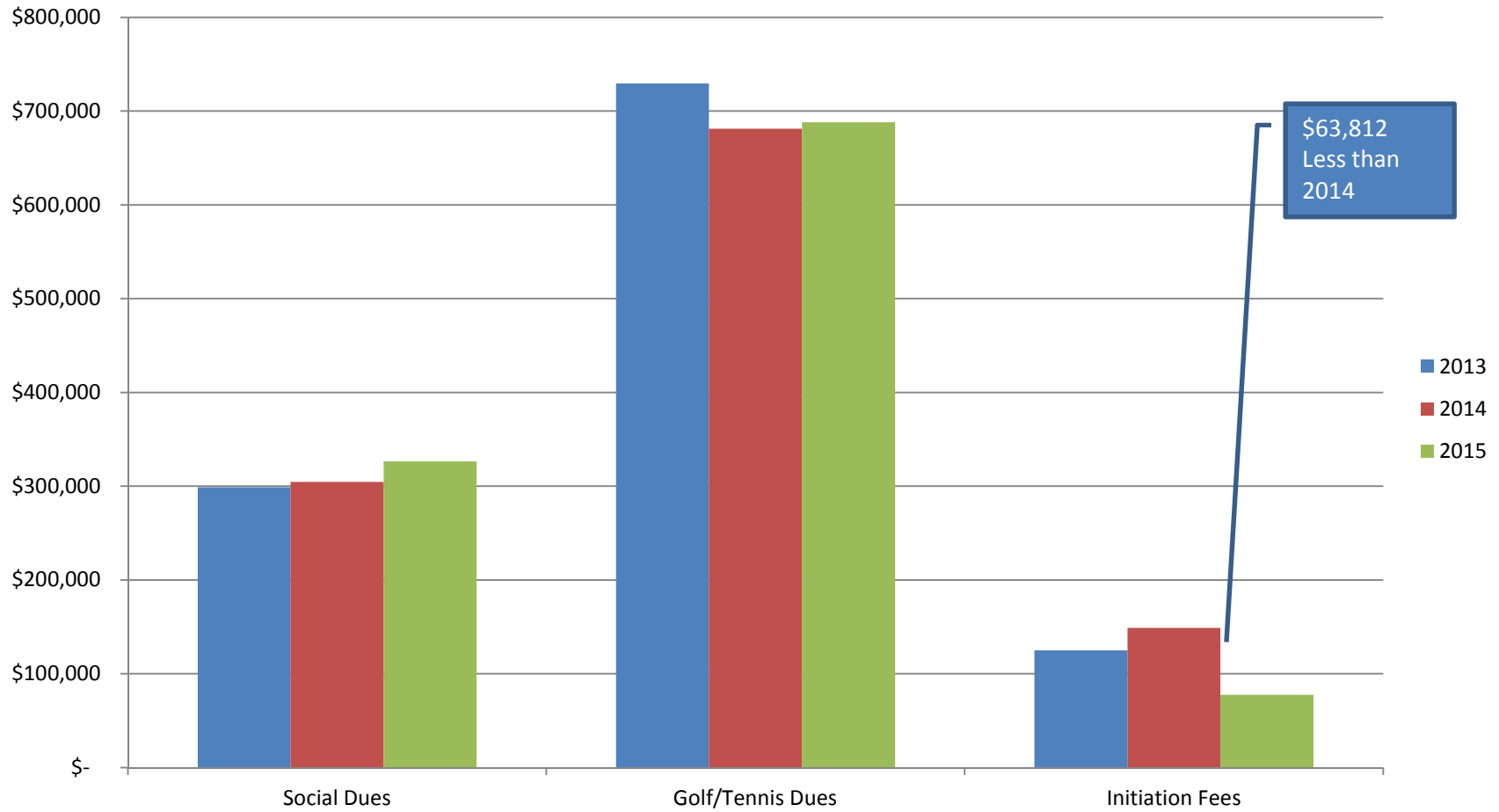
Fawn Lake Country Club



The Bottom Line

- Overall operations lost \$57K for the year.
- Managers are tasked to fix this.
- Imperatives are:
 - Increase memberships at all levels
 - Keep the jewel in the crown (golf course) in good shape
 - Make sure that member dining is experience is high quality
 - Control expenses and plan for the future
- Hits and Misses for 2015

Membership Revenues

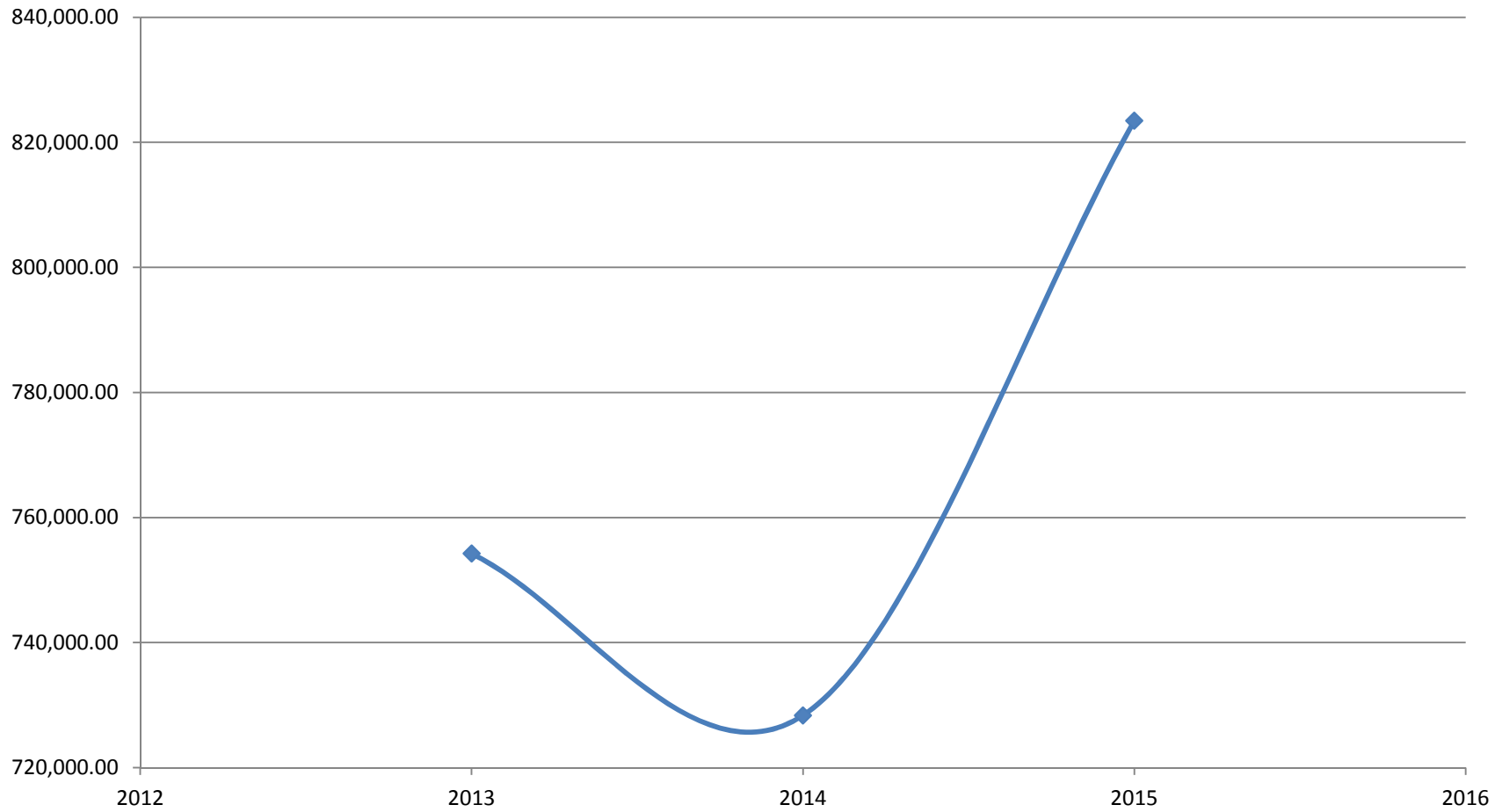




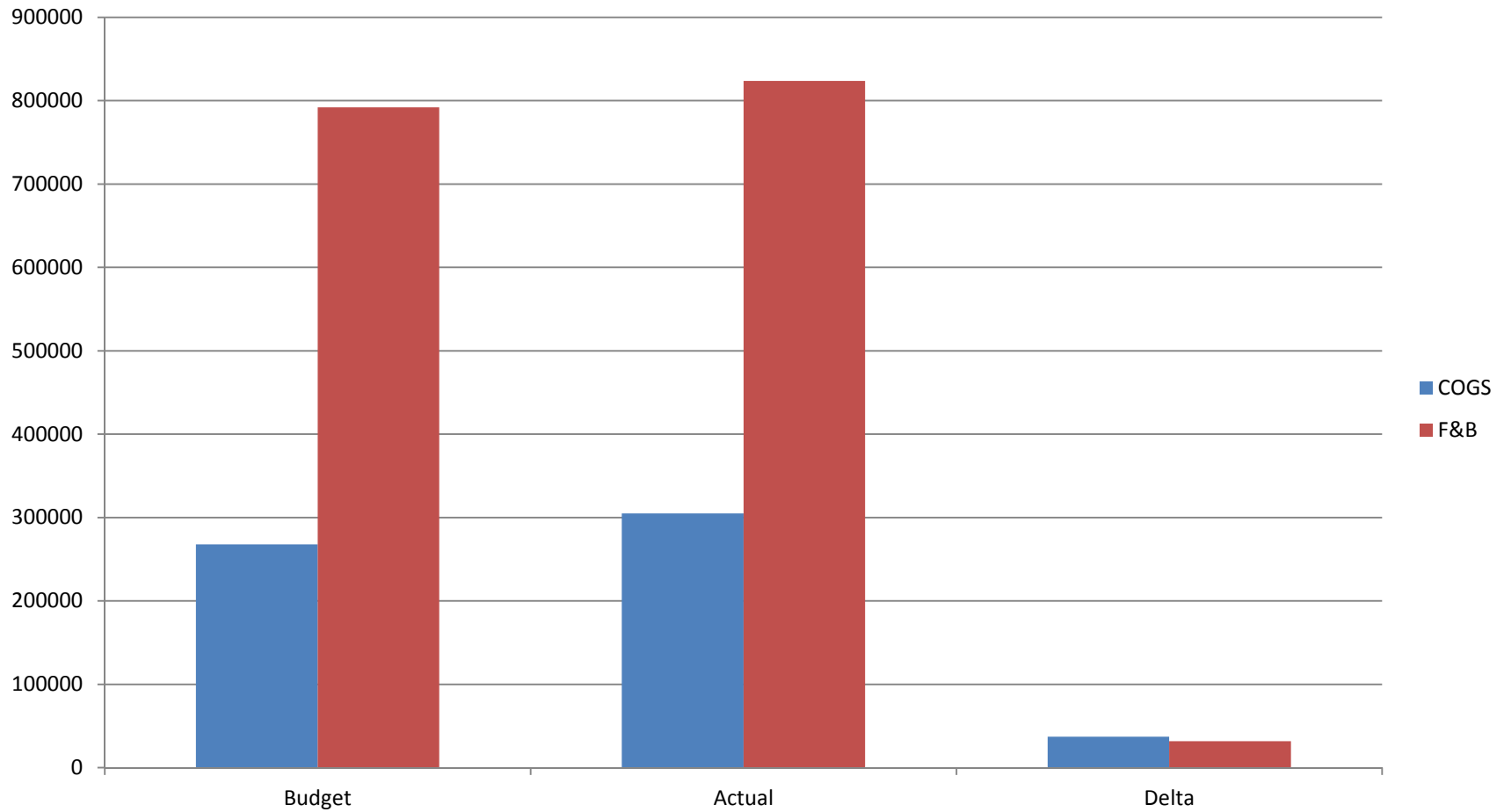
Membership Pressure Points

- Decrease in initiation fees is the difference between a loss and a breakeven year.
- As our membership ages, golfers switch to Social.
- New residents more likely to join as Social than as Golf.

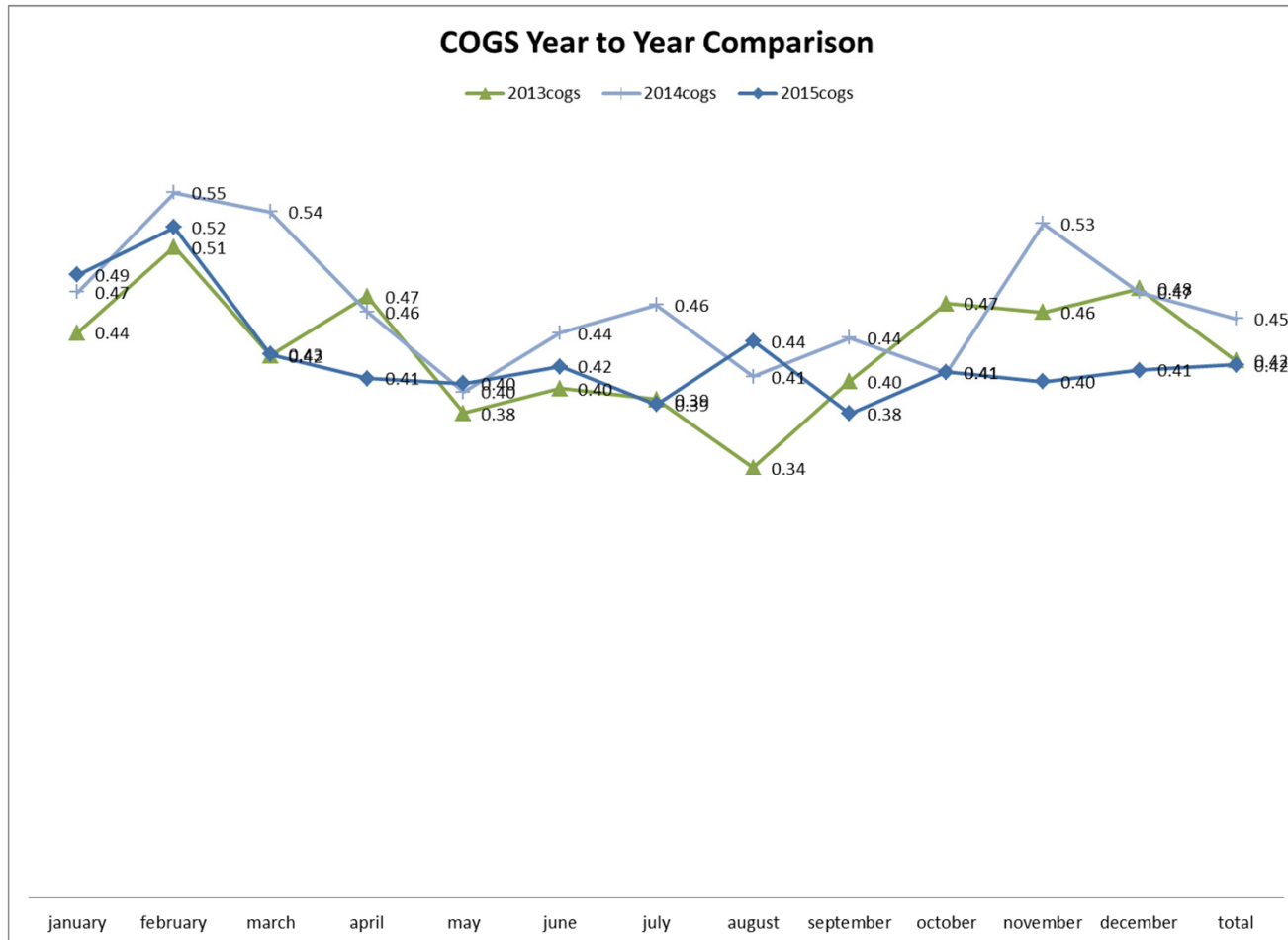
Harbor Club – F&B Revenues



F&B – Revenue growth needs to be profitable.



F&B COGS Expense Control is Key





F&B Other Factors

- BOGO's and other promotions – giving stuff away for free is a hard way to make money.
- Labor
- Employee meals
- Food Spoilage/Loss
- Linens & Tablecloths

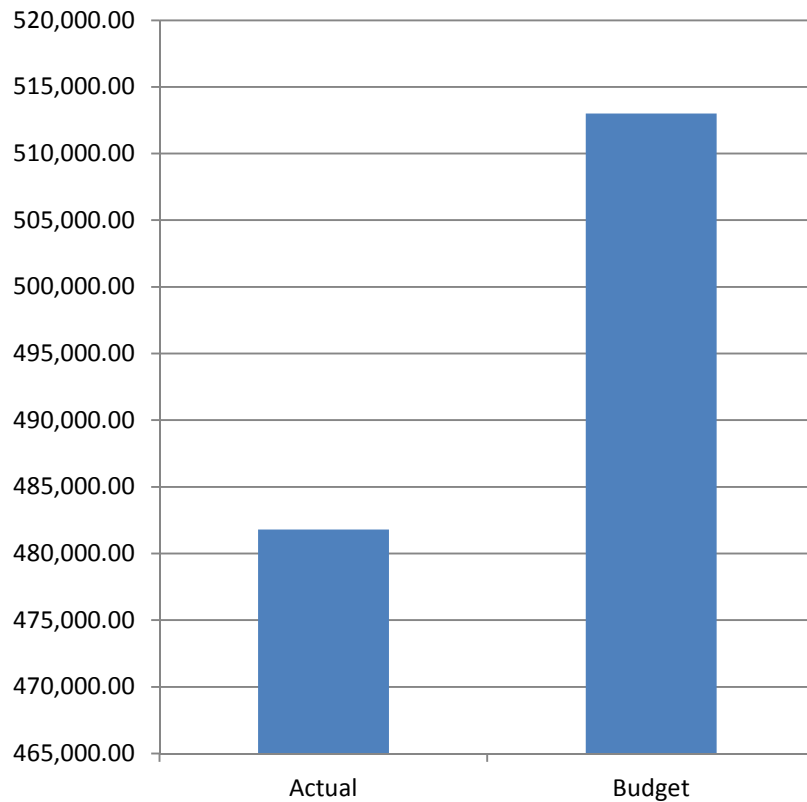


F&B Action Items

- Focus on increasing revenues through high quality food and service while maintaining steady COGS
- Watch Labor expense
- Obsessive expense control on other operating expenses

Golf Ops

Golf Ops Revenues to Budget

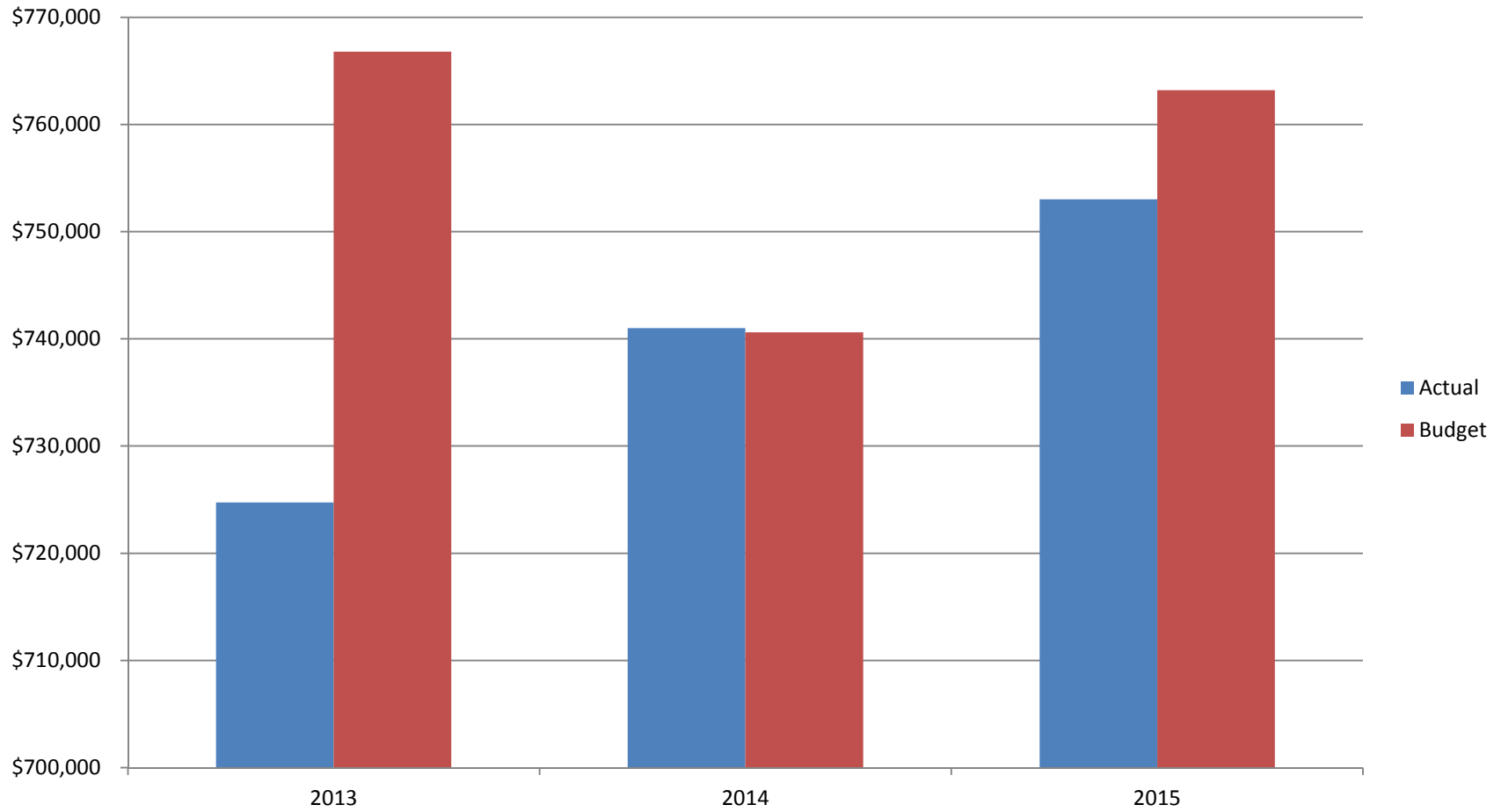


Major Variances

- Cart Fees - \$10K
- Greens Fees - \$6K
- Range Fees - \$3K
- Outings - \$10K

- These are mostly “pure profit” revenues.

Golf Maintenance





Golf Action Items

- Increase Outing revenues
- Find ways to increase member play
- Continue to control maintenance costs
- Watch golf ops labor
- Rethink golf cart leasing



Reserve Fund

- Capital Leases in each of the last 3 years to buy golf course maintenance equipment
- Financed new golf carts last fall to get out of Operating Lease trap
- Keeping this equipment in service longer is a key to building up the Reserve Fund



Reserve Expenditures

- Mowers for greens
- Aeration Equipment
- A/C Harbor Club
- Water Heater Harbor Club
- Paint Harbor Club
- Oven Harbor Club
- Greenside Sprinkler Heads





Reserve Fund

- Original study call for annual contributions of \$320,000 by 2016
- Actual contributions today \$128,100
- We have just completed a new study
- Funding at current levels do not support what has to be done
- So what do we do?



Reserve Study

- Special committee set up to prioritize all projects
- New funding plan
- New timetable for the reserve study



Dues and Fees 2016

- Dues increase \$5/month all membership categories
- Capital Reserve assessment
 - Full Golf increase \$30/month
 - Tennis increase \$15/month
 - Social increase \$10/month
- Fees
 - Trail Fee increase \$10/month
 - Club monthly cart rental increase \$15/month
 - Club Cart Fee increase \$5/18 holes and \$2.50/9 holes
 - Greens fee (non merchandise plan) \$10 increase



Membership Value adds

- Visiting Family members can be your guest with no guest fee attached. Must live at least 35 miles from Fawn Lake
 - Children, Grandchildren
 - No restrictions on number of uses
- Removal of the age limit for children living in your home
 - Today the limit is 23



In Closing

- It's your club
- Go to dinner one more time per quarter
- On-going improvements are happening on the golf course, tennis courts and the Harbor Club
- Bring a guest
- Recruit a new member
- Learn to play tennis
- Learn to play golf
- Use the best amenities in the area



Open Discussion

