



2016 Membership Meeting

November 21, 2016

Overview

- Introductions
- Election Results
- Harbor Club Expansion
- Financial Performance
- Summary
- Open Discussion

Who Are We?

- Our Mission

- *Fawn Lake Country Club is a private, nonprofit, family-oriented, social, athletic and recreational club dedicated to provide quality golf, tennis, dining, and related services*

- Our Vision

- *Building member value today and tomorrow*



2016 Board Members

- Peter Gorski, Chairman
- Larry Welford, Vice Chairman
- Lloyd Harrison, Treasurer
- Colby Keilty, Secretary
- Deborah McManus
- Sean Gleason
- Audrey Hazen
- Ed Gillis, Asset Management Liaison



2017 Board Members

- Peter Gorski
- Larry Welford
- Lloyd Harrison
- Deborah McManus
- Clifford Pressinger
- Tim Powers
- Bob Stumpf
- Ed Gillis, Asset Management Liaison



Management Staff

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

Financial Overview

Lloyd Harrison
Treasurer

FAWN LAKE COUNTRY CLUB

Financial Summary

YTD Oct. 2016

Operating Results

The Top Lines

Operations	October YTD 2015	October YTD 2016	October YTD Budget
F&B Revenues	\$ 686,080	\$ 735,729	\$ 737,110
Golf Revenues	\$ 416,298	\$ 435,927	\$ 520,498
Tennis Revenues	\$ 36,770	\$ 42,537	\$ 35,312
Dues & Initiation Fees	\$ 902,841	\$ 1,010,357	\$ 936,470
Total Revenues	\$ 2,041,990	\$ 2,224,550	\$ 2,229,390

Operating Results

The Bottom Line

	October YTD 2015	October YTD 2016	October YTD Budget
F&B Net Profit	\$ 42,895	\$ 135,091	\$ 139,403
Golf Net Profit	\$ 40,738	\$ 115,147	\$ 131,523
Tennis Net Profit	\$ (16,173)	\$ (5,577)	\$ (14,841)
Overhead	\$ (142,012)	\$ (108,472)	\$ (123,822)
Total Net Profit	\$ (74,552)	\$ 136,189	\$ 132,263

Reserve Fund

Recurring Monthly Expenditures

Monthly Recurring Exp.	Oct-16	
Monthly Assessment		\$ 19,475
Golf Equipment Lease 1	\$ (2,899)	
Golf Equipment Lease 2	\$ (3,714)	
Golf Equipment Lease 3	\$ (3,369)	
Golf Cart Loan	\$ (4,187)	
	\$ (14,169)	\$ 5,306

Reserve Fund

Non-Recurring Expenditures

Tennis Ball Machine	\$	(5,524)
Harbor Club Chairs	\$	(42,525)
Irrigation Repairs	\$	(16,028)
Kitchen Equip Repairs	\$	(1,289)
New Stove	\$	(7,145)
New Dance Floor	\$	(2,053)
Harbor Club Painting	\$	(9,955)
Sewer Line Repair	\$	(3,450)
Pro Shop Doors	\$	(1,623)
Tennis Walkway	\$	(2,866)
Course Equip Repairs	\$	(3,185)
Golf Equip Repairs	\$	(2,080)
HC design	\$	(480)
Golf Equip Repairs	\$	(311)
	\$	(98,514)

Reserve Fund Priorities

- **Essential Replacements – Equipment and golf carts**
- **Repair – as needed - unplanned**
- **Renovation – big tickets: greens, traps, tennis courts, etc., - planned**

Reserve Fund Strategies

- **Initial Assessment and recurring monthly assessment to acquire essential replacements**
- **Cash reserve for repairs**
- **Cash accumulation over the longer term for renovations**

Harbor Club Expansion

Overview:

- Resolution passed by the FLCC Board
- Resolution passed by the Asset Management Board
- Resolution Passed By FLCA Board
- Support by All Three Boards Allows Project to Progress to Conceptual Design and Detailed Pricing

Harbor Club Expansion

Next Steps

- Execute a Phase I Design Build contact with contractor
 - Selection of Team of Professionals to Prepare Design
 - Project Programming
 - Conceptual Design
 - Updated Construction Pricing
- Adopt Conceptual Design Plan
 - New Kitchen
 - Member Grille
 - Entertainment Venue
- Present Adopted Concept Plan to Membership

Harbor Club Expansion

Next Steps

- Formalize a Line Item Budget
 - Building Construction
 - Furniture and Equipment
 - Site Improvements
- Formalize Business Plan to Support Expansion
- Negotiate Loan Agreement with Bank
- Execute a Phase II Design Build contact with contractor
 - Final Design and Construction Documents
 - Final Specifications and Selections
- Facility Construction

Frequently Asked Questions

- What is NTS’s Participation in the Project and What Do they get in Return?
 - Pledged \$450,000 to Harbor Club Expansion
 - Pledged \$150,000 to FLCA
 - Received 20 Full Golf Memberships and 20 Social Memberships
 - Guarantees 20 new Full Golf and 20 new Social Members

Frequently Asked Questions

- What is the Financial Impact to the Membership?
 - \$500 Assessment
 - Paid in 5 Installments beginning December, 2016
 - \$20 Dues Increase to all Members beginning in April, 2017
 - Builds Cash Reserve for Debt Service as requested by the FLCA

Frequently Asked Questions

- Why Do a Design-Build type of Contract rather than a Design-Bid-Build Contract?
 - Project can be Contracted under a Guaranteed Maximum Price Contract
 - Value Engineering is Built into the Design Process
 - Utilizes a Design Team that is experienced working together.
 - Project Schedule is Shorter

Frequently Asked Questions

- How are the Architects that will Design the Building Chosen?
 - The Design Build Team Construction Contractor Chooses the Firms to be Used in the Design
 - Firms that have experience with on Similar Projects
 - Firms that specialize in Food Service and Entertainment Venues.
 - Firms that can meet the Project Schedule
 - 4 Design Teams are under Consideration

Frequently Asked Questions

- Why was Sodexo Chosen as the Contractor for this Project?
 - Strong Local Presence in the Fredericksburg Market
 - Specific Industry Experience
 - Additional Teaming Benefits
 - Purchasing Coop Opportunity
 - Employee Training
 - Management Training
 - Menu Planning and Pricing Assistance
 - Cross Marketing Opportunities

Frequently Asked Questions

- Have Other Food Service and Entertainment Contractors Been Considered?
 - Names of other Firms have been suggested (Compass Group, Aramark)
 - We have reviewed their websites and do not see any additional advantages to the Club.

Frequently Asked Questions

- How Will We Know if the Price We are Getting is Competitive?
 - Pricing Breakdowns will be provided and Reviewed
 - If the project cannot be completed for a price that the Club finds Acceptable, the project will not move to construction.
 - Check Market prices based on Construction Experience

Harbor Club Expansion

Conceptual Master Plan:



In Closing

- Decisions made in 2016 will continue to have a positive effect on the strategic plan
 - Harbor Club optimization planning has had an immediate impact and looks positive for 2016
 - Inclusive activities and events in 2016 should drive more club utilization
- You have the most influence on our continued success. Your individual contributions through amenities utilization have multiple positive impacts which sustain operations and help shape our offering going forward.



Open Discussion

Questions and Comments: