



# 2018 Membership Meeting

November 13, 2018



## Agenda

- Introductions & Election Results
- Financial Report
- 2018 Membership Report
- 2018 Program Report (Harbor Club, Golf, Tennis)
- Technology Modernization Project
- Harbor Club Expansion





## 2018 Board of Directors

	<u>Office Held</u>	<u>Committee Chaired</u>
• Deborah McManus	Chairman	Tennis
• Larry Welford	Vice-Chairman	Greens
• Michael Woodcock	Treasurer	Finance
• Tim Powers	Secretary	Golf
• Ron Ball		Social
• John Statler		Harbor Club
• Bob Stumpf		Membership
• Steve Gress	Asset Mgt Liaison	



## 2019 Board of Directors

	<u>Membership Type</u>	<u>Term Expires</u>
• Ron Ball	Social	12/31/19
• Tim Powers	Full Golf	12/31/19
• Bob Stumpf	Full Golf	12/31/19
• Kathy Flanagan*	Social	12/31/20
• John Statler	Full Golf	12/31/20
• Kevin McCarthy*	Full Golf	12/31/21
• Ron Morris*	At-Large (Full Golf)	12/31/21
• Steve Gress	Asset Mgt Liaison	

\* Newly Elected



## Thank You to our Committee Volunteers

- **Finance:** Michael Woodcock, Deborah McManus, Lloyd Harrison, Mike Kennison (Bret, Sarah)
- **Membership:** Bob Stumpf, DJ Gerry Bradshaw, Sally Elliott, Kristy McCormally, Ron Morris, Sherry Pressley, Carol Ranking, Claudette Taylor (Bret)
- **Golf:** Tim Powers, John Allison, Terry DeTroia, Rich McGowan, Dave White (Drew)
- **Greens:** Larry Welford, Jim Bost, Bette Connelly, Steve Pendry (Dave)
- **Tennis:** Deborah McManus, Carol Gregory, Fred Jenne, Darren Long, Lisa Roberts, Jerry Watson, Brian Wexler (Kevin)
- **Harbor Club:** John Statler, Krystel Bell, Jim O'Donnell, Judy Swarthout (Heather)
- **Social:** Ron Ball, Mark Bradley, Stephanie Maxwell, Marjorie Stratford (Emily)
- **Expansion Interior Design:** Ron Ball, Diana Baqaie, Lori Horstick, Colby Keilty, Donna Torrey (Heather)



# Financial Overview

Michael Woodcock  
Treasurer



# Balance Sheet

## Assets

Sep 30, 18

### Current Assets

Checking/Savings (Unrestricted) \$ 46,317

#### Restricted Accounts

Union Capital Reserve \$139,756

Union Harbor Club Expansion 189,624

Debt Service Account 60,020

Total Restricted Accounts 389,400

Accounts Receivable 275,319

Other Current Assets 61,861

Total Current Assets \$772,897



## Balance Sheet Assets

Sep 30, 18

### Fixed Assets

FF&E	\$1,076,291	
Golf Course	235,815	
Tennis Courts	4,932	
Building Improvements	13,241	
Harbor Club Expansion	176,246	
(Accumulated Depreciation)	<u>(352,504)</u>	
Total Fixed Assets		<u>\$1,154,021</u>

Total Assets		\$1,926,918
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## Balance Sheet Liabilities & Equity

Sep 30, 18

### Current Liabilities

Accounts Payable		\$ 48,753
Credit Cards		4,361
Other Current Liabilities		
Union Line of Credit	\$ 26,838	
Deposit – Special Events	53,184	
Accrued Payroll	27,521	
Prepaid Minimums	13,270	
Dues Paid in Advance	94,735	
Other	<u>24,731</u>	
	Total Other Current Liabilities	<u>240,279</u>
Total Current Liabilities		\$ 293,393



## Balance Sheet Liabilities & Equity

Sep 30, 18

### Long Term Liabilities

Capital Lease – Reserve – TCF ....301	\$ 0
Capital Lease – Reserve – TCF ....302	17,405
Capital Lease – Reserve – TCF ....303	74,096
Golf Cart Loan	99,195
Capital Lease – Reserve – TCF .....305	56,008
Capital Lease – Reserve - JD	<u>124,745</u>

Total Long Term Liabilities

\$ 371,449

Total Liabilities

664,842

Total Equity

1,262,076

Total Liabilities and Equity

\$1,926,918





## Revenue

	<u>2016</u>	<u>2017</u>	<u>YTD Sept '18</u>
Membership	\$ 1,213,184	\$ 1,190,021	\$ 902,089
Food and Beverage	898,371	912,709	697,635
Golf	490,299	512,740	464,218
Tennis	42,635	56,971	46,815
Interest Income	<u>445</u>	<u>823</u>	<u>932</u>
Total	\$ 2,644,934	\$ 2,673,264	\$ 2,111,689



## Membership Income Detail

	<u>2016</u>	<u>2017</u>	<u>YTD Sept '18</u>
Social	\$ 362,868	\$ 424,571	\$ 347,545
Golf/Tennis	704,392	681,197	467,852
Initiation Fees	124,942	74,537	75,150
Other Income	<u>20,982</u>	<u>9,716</u>	<u>11,542</u>
Total	\$ 1,213,184	\$ 1,190,021	\$ 902,089



## The Bottom Line

	<u>2016</u>	<u>2017</u>	<u>YTD Sept '18</u>
Revenue	\$ 2,644,934	\$ 2,673,264	\$ 2,111,689
Expenses	<u>2,678,773</u>	<u>2,766,126</u>	<u>2,122,055</u>
Net Income/(Loss)	\$ (33,839)	\$ (92,862)	\$ (10,366)
 + Depreciation	 <u>138,917</u>	 <u>149,535</u>	 <u>0</u>
Net Income/(Loss) Before Depreciation	\$ 105,078	\$ 56,673	\$ (10,366)



## YTD Revenue Comparison

	<u>YTD Sept '18</u>	<u>Budget Sept '18</u>	<u>Actual/Budget</u>
Membership	\$ 902,089	\$ 967,623	93%
Food and Beverage	697,635	688,842	1.01%
Golf	464,218	459,024	1.01%
Tennis	46,815	48,960	96%



## The Bottom Line Comparison to Prior Year and to Budget

	<u>YTD Sept '18</u>	<u>Budget Sept '18</u>	<u>Actual/Budget</u>
Revenue	\$ 2,111,689	\$ 2,164,449	98%
Expenses	<u>2,112,055</u>	<u>2,166,019</u>	98%
Net Income/(Loss)	\$ (10,366)	\$ (1,570)	



# 2018 Membership Report

Bob Stumpf  
Membership Chair



## 2018 Membership

- Promotions
  - Turn Over a New Leaf
  - Spring Fever
  - Summertime Test Drive
  - Fall into Something Fabulous at FLCC
  - Beat the Sleet
- Membership Referral Program
  - Your reward for bringing a new member to the Club
  - Seek members within and outside the Fawn Lake community
  - Receive a gift card ranging from \$100 for Social to \$350 for Full Golf
  - Ensure that your name is entered on the Membership Application



## 2018 Membership

- How have we done?

- 2017 Year-end: 475 members
- 2018 Year-end Goal: 500 members
- October 31, 2018: 502 members
  - New members 61
  - Resignations 34
  - Net Increase 27

- New Member Sales

- 2017 36
- 2018 61
- Total 97

- Current Membership Breakout

- 502 Total Membership = 263 Social + 27 Tennis + 212 Golf
- 212 Golf Membership = 166 Full Golf + 27 Junior Executive + 19 Sports





# 2018 Program Report

## Harbor Club, Golf, Dining

Bret Shifflett  
General Manager



# 2018 Program Report

- Key Management Team
  - Head Golf Professional – Drew Falvey
  - Golf Operations Manager – Garrett Moore
  - Golf Course Superintendent – Dave Smith
  - Director of Tennis – Kevin Cretella
  - Harbor Club Manager – Heather Allen
  - Executive Chef – Josh Oleson
  - Restaurant Manager – Sherrie Honaker
  - Service Manager – Emily Emr
  - Accounting Manager – Sarah Hollars
- Employee Tenure Recognition



## 2018 Program Report Harbor Club

- Added a Social Committee this year to focus on bringing the FUN.
- New events added: Take out Tuesday, Burgers and Brews, Endless Prime Rib, Spanish Wine Dinner, Grey Ghost Wine Tasting.
- Family events such as Princess Brunch, Kid's Halloween Movie Night, and Elf on a Shelf continue to be well received.
- Strong summer highlighted with 6 great Patio Fridays.
- We had a great turnout for holiday events: St. Patrick's Day, Easter Brunch, Mothers Day,
  - July 4<sup>th</sup> Holiday cookout was our largest event with over 300 guests.
- Many new 2019 social event ideas: Italian New Year's Eve, Bourbon & Whiskey Tasting, Murder Mystery Night, Parent/Child Dance, Disney movie night, Tween Scavenger Hunt, & more
- Huge demand for private events: 20 weddings in 2018 before we had to put on the brakes.
  - Compared to 12 in 2017; 10 in 2016; and 8 in 2015



## 2018 Program Report Golf

- After a slow start to the year with cold temperatures and rain, our summer ramped up with 1,144 more rounds played in Summer 2018 versus Summer 2017.

- We are trending to meet or exceed last years total rounds played even with the rain in 2018.

2015	10,997	2017	11,853
2016	11,399	2018	11,880 estimated

- We opened the Men's Golf Association to all male Full Golf and Sports members. We added a new Spring Medal Play Championship and held a successful Men's Member Guest.

- Private Golf Outings are on the rise:           16 in 2016                   20 in 2017                   24 in 2018

- We added 2 new large golf outings this year with Leashes of Valor and the Fredericksburg Area Builders Association (our largest tournament of the year)



## 2018 Program Report Golf

### Golfer Development Program

- Drew and Garrett have put an emphasis on developing golfers this year. Our lesson program has close to tripled in 2018.
- We joined the Junior PGA Golf League with 2 teams in the summer and 1 team in the fall. This introduced close to 3 dozens kids to on course golf play.
- Junior Camp participation was up for the year with a highlight of 32 kids in our August camp.

### Golf Shop Sales

- Merchandise sales up 28% YTD. We added TaylorMade as an account partner and had a successful demo day in the Spring.

## 2018 Program Report Golf Course

Fawn Lake CC stood out as one of the most beautiful courses in Virginia

Arrival of the “Twins”



New large area chemical sprayer





## 2018 Program Report Golf Course

- New well on hole #6
- Cart path repairs on hole #7
- Practice bunker renovation / bunker repairs / bunker sand
- Removed over 200 trees



## 2018 Program Report Tennis

- Strong kick-off event with Murphy Jensen, coach of the Washington Kastles.
- Added mixer events with FCC and the Fredericksburg Area Tennis Patrons.
- Introduced an experienced Assistant Tennis Professional Brian Ratzlaff.
- Our Junior program grew substantially this year with increased participation in Junior Camps
  - We added a Spring Break Golf/Tennis Camp.
  - We saw great participation in our Friday Evening Junior Pizza Socials peaking with 47 kids one evening in August.





# Technology Modernization Report

Deborah McManus  
Board Chair



# Technology Modernization Project Inherited Legacy Systems



E-Mail Blasts  
Website Hosting



**TENNIS**  
**BOOKINGS**

Tennis Court Reservations



Golf POS / Inventory / Tee Sheets

Export into ClubTec



F&B POS / Inventory

Membership Database

Membership Billing & A/R



Tennis Billing

Manual entry into ClubTec  
and QuickBooks

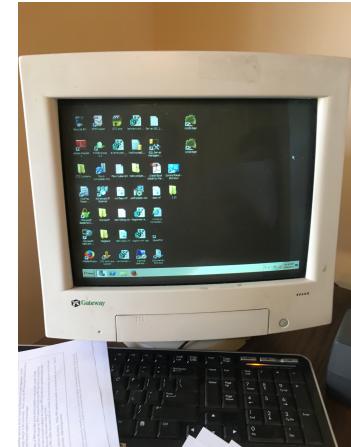


Monthly JE from ClubTec

A/P

Banking Reconciliations

Financial Reporting





## Technology Modernization Project Project Goals

- Move to an **Integrated Software Suite** that increases staff efficiency, cuts down on errors, and provides better service to our members.
- Launch a **New Website** with enhanced marketing appeal and new functionality that offers members online access to bill payment, tee times, court reservations, dining reservations, and our event calendar.
- Invest in faster, newer, more reliable **hardware** (server, desktop computers, POS).
- Improve **WiFi** coverage and reliability for both private network and member/guest network.



# Technology Modernization Project Integrated Software Suite

- 7 Integrated Software Suites were investigated. Club Prophet Systems was chosen for several reasons:
  - \$0 up front cost
  - Familiarity – Pro Shop operations already used an older version
  - Could accommodate golf, tennis, dining, and private events
  - Availability of online modules for membership
  - Integrated with QuickBooks (daily download rather than monthly)
  - Improved reporting functions
- May 1<sup>st</sup> 2018 Club cut over to Club Prophet Systems (CPS)
  - Scrubbed membership database
  - Moved from mailed to e-mailed statements saving both time and money
  - Began daily financial “close-outs” in each department and daily downloads to QuickBooks
  - Operationally benefiting from the extra effort required to iron out the wrinkles.





# Technology Modernization Project Website Launch

- Hired Amy & Dave Simpson of Simpatico Designs to design, develop, and host our new website
- Chris Cressy of Blade Runner Aerial Imaging provided drone video, photographs, and 3D mapping of golf course
- Launched "Public Site" October 29<sup>th</sup>
  - Easy navigation – Connected to Facebook – Warm marketing tone – Professional photos & videos
  - Search Engine Optimization included in design work
  - E-Mail templates created to standardize communication
- Anticipate launch of "Members Only Site" in early December
  - View and pay your bill online via checking ACH (free) or credit card payment (3% convenience fee)
  - View and update your membership profile (upload picture, email address, etc)
  - View the membership directory
  - View the tee sheet and make a tee time
  - View the tennis court schedule and make a court reservation
  - Make a dining reservation
  - Register for an event



# Technology Modernization Project Hardware Improvements

- Invested \$20,000 in technology upgrades
  - New server
  - 3 new Point of Sale systems – Golf (replacement), Harbor Club (replacement), Harbor Club (new)
  - 5 new Computers – Drew, Dave, Bret, F&B Manager, Sarah (last year's computer paid for this year)
  - 1 kitchen printer, 1 receipt printer (HC), 4 magnetic CC swipers
  - WiFi Upgrade in HC
  - Office 365 License & Migration and Domain Transfer (upgraded email service for staff)

*\* Improved Technology better positions FLCC sales & service for success before the Harbor Club expands.*



# Harbor Club Expansion Review

Larry Welford  
Board Vice-Chair



## Harbor Club Expansion

- What has been happening?
- What has changed?
- What will it look like?
- What will it cost?
- When will we be under construction?





## Harbor Club Expansion What has been happening?

- Let's go back to February 2, 2018
  - Design done
  - Permits submitted
  - Looking to begin construction
  - Project significantly over contracted price
- Worked with the design team to try to bring project back into budget
- Board makes decision to bid to 3 local commercial general contractors
- Result – The design is flawed and not complete



## Harbor Club Expansion What has been happening?

- Board made decision to terminate our relationship with the original team
- Successfully negotiated a settlement that reflected the value we received
- Board interviewed two local firms and chose to engage GLMG General Contractors in May 2018



## Harbor Club Expansion What has been happening?

- GLMG Scope of Services
  - Perform a Cost Feasibility Evaluation of the project
  - Prepare new design and construction documents
  - Build the facility
- Feasibility Analysis – Completed June 15, 2018
- New Design/Construction Documents - Completed and submitted Oct 11, 2018



## Harbor Club Expansion What has changed?

- Board liked overall expansion concept
- Event Center – Got slightly smaller, can still accommodate a 200 person wedding
- Member Grille/Kitchen – No size change
- Design changes:
  - Kitchen redesigned
  - Roofing materials
  - Brick vs stone
  - Doors to windows
  - Trash removal
  - Foundation design
  - Roof top features

## Harbor Club Expansion What Will it Look Like?



# Fawn Lake

## COUNTRY CLUB



**Fawn Lake Country Club Expansion**  
**11300 Longstreet Dr.**  
**Spotsylvania, Va. 22551**

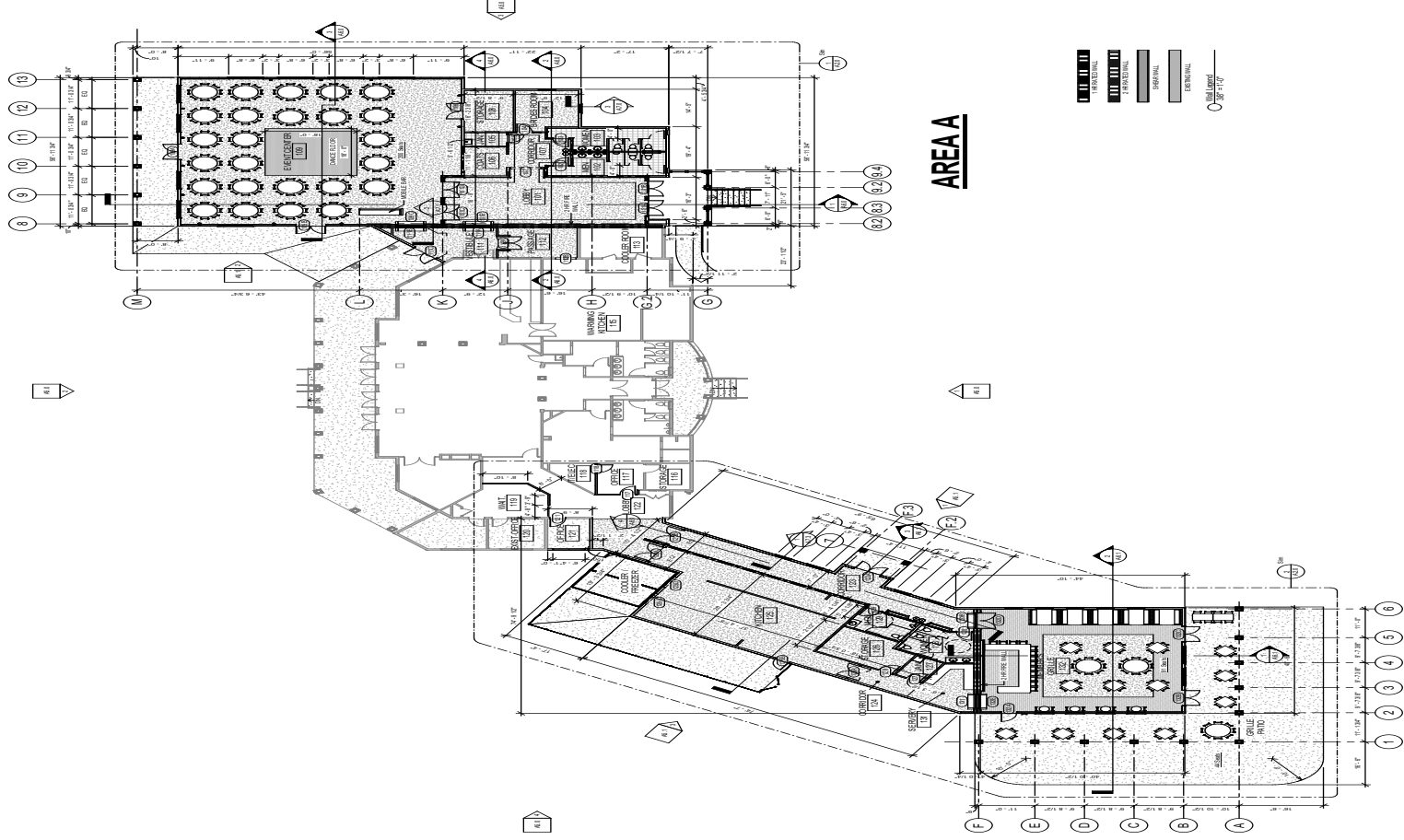
10962 RICHARDSON ROAD  
 SUITE J  
 ASHLAND, VIRGINIA 23005  
 (804) 550 - 3008  
 FAX (804) 550 - 1217



Revised	By	Date

Project Number 18047  
 Date Issued 10-5-18  
 Scale As Indicated

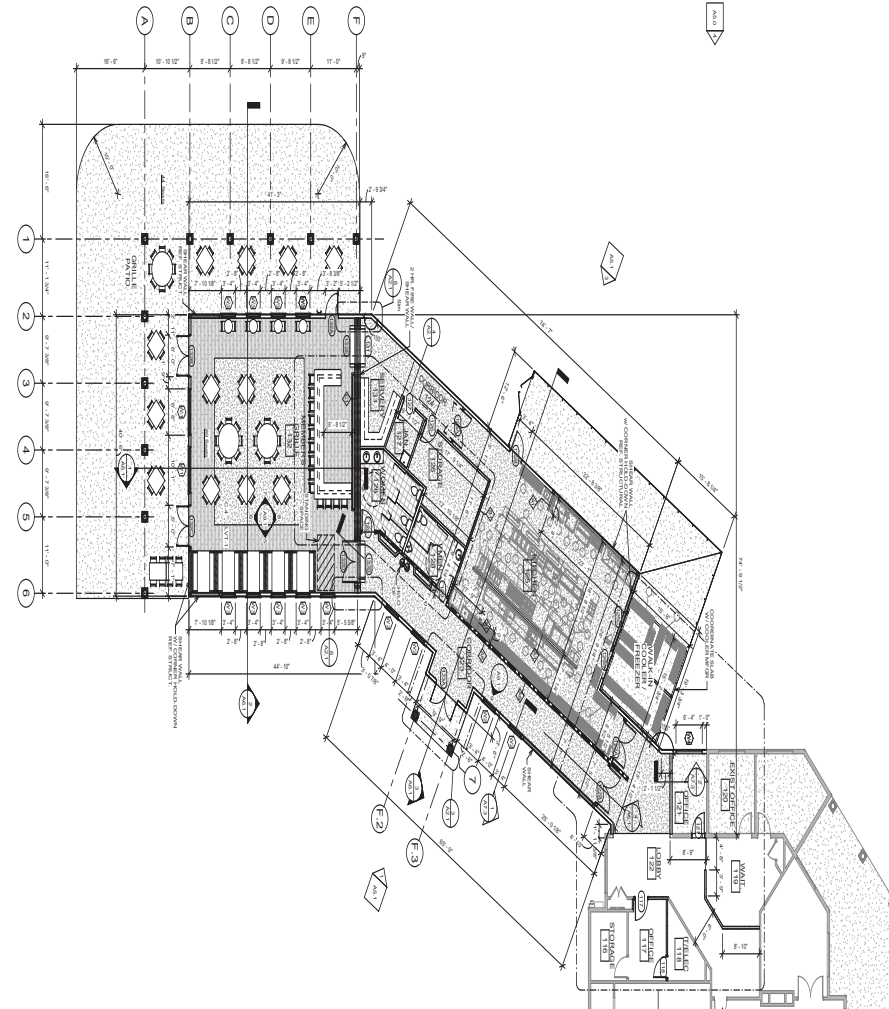
**A1.1**



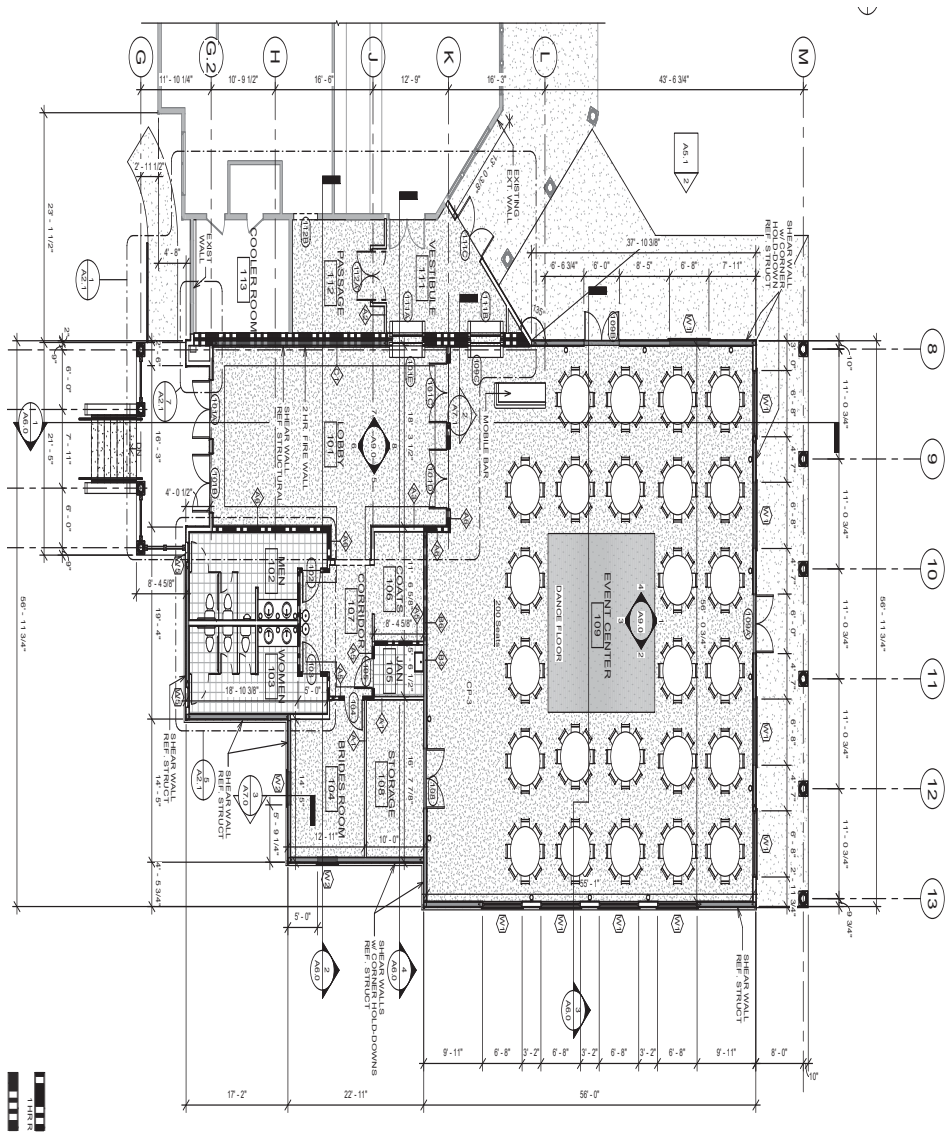
Overall Size  
 100' x 100'



2 Floor Plan - Area B  
1/8" = 1'-0"



Fawn Lake  
COUNTRY CLUB







## Harbor Club Expansion What Will it Cost?

- GLMG presented a construction budget to the board based on highly detailed specs
  - \$2,713,698 cost to build (bldg. cost of \$220 per sq foot)
  - \$25k contingency included
  - Additional allowances included
  - Several areas for savings will continue to be drilled down, any realized savings will be added to our contingency
  - Unused contingency goes to FLCC



## Harbor Club Expansion What Will it Cost?

- "Other Costs" to add to the project:
  - Furniture, Place Settings, Barware, Décor, etc.
  - Kitchen Equipment
  - TVs & AV Equipment
  - Landscape & Irrigation
  - Propane Tanks
  - Site Surveys
  - Permit Fees
  - FLCC Contingency of \$75,000
- Total "Other Costs" = \$480,850



## Harbor Club Expansion What Will it Cost?

- "Soft Costs" to add to the project:
  - Loan Closing Fees
  - Attorney Fees
  - Architect & Engineer Fees
  - Construction Loan carrying costs
  - Utility Fees
- Total "Soft Costs" = \$334,160



## Harbor Club Expansion Project Funding

- Total Project Cost:

Construction Cost	\$ 2,713,700
Other Costs	480,850
Soft Costs	<u>334,160</u>
	\$ 3,528,710
- How will the \$3.53M expansion be funded?
  - \$2.4M Union Bank Loan – No change
  - \$450k NTS equity contribution – No change
  - \$470k FLCC equity contribution – Up from \$350k
  - \$210k Kitchen equipment lease - New



## Harbor Club Expansion Project Funding

\$2.4M Union Bank Loan closed on August 13, 2018

- No funds have been drawn down.
- FLCC and NTS were not required to transfer equity, instead equity will be spent on the project before loan proceeds are used.
- Union Bank requires an approved contract with GLMG by November 15<sup>th</sup>.



## Harbor Club Expansion Project Funding

### Union Bank Loan Terms

- Maximum draw is \$2.4M
- 4.48% interest rate, fixed for 5 years, amortized over 25 years
- Interest only construction period is for 14 months
- Interest paid only on the amount drawn down
- The first interest only payment will be the 13<sup>th</sup> of the month following the 1<sup>st</sup> draw
- The final interest only payment will be 10/13/2019.
- The first full P&I payment will be 11/13/2019.
- After the initial 5-year period, the interest rate will adjust to a new fixed rate.
- The first payment at the new adjusted fix rate will be on 9/13/2023.



## Harbor Club Expansion Project Funding

### Equity Contributions

- Union Bank requires \$700k in equity to be spent before loan draws begin
- NTS requires that FLCC spend \$350k before they spend their \$450k, except for up to \$100k in design fee reimbursements
- Equity spent to date:
  - FLCC \$218,761
  - NTS \$ 74,823
  - \$293,584
- \$293,584 includes:
  - All Sodexo fees
  - All GLMG/Perretz & Young design fees
  - Bank loan closing costs
  - Attorney fees



## Harbor Club Expansion Project Funding

Where does FLCC's extra \$120k equity come from?

- Monthly cash transfer into Expansion Reserve Account:
  - New member \$500 expansion assessment
  - + \$20 dues per member
  - ~ \$12,000/mo into the Expansion Reserve Account
- Expansion Reserve balance today: \$158,179
  - Remaining equity due: \$131,239
  - Balance over \$350k today: \$ 26,940
- Need \$93k more in Expansion Reserve Account – Approx 8 mos of transfers (Nov-Jun)
  - Any extra funding will be used for the project.





## Harbor Club Expansion Kitchen Equipment Lease

- Monthly Capital Reserve Fees fund capital projects
- Recent Capital Reserve Expenditures include:
  - Maintenance Equipment (multiple 5 year leases)
  - Golf Carts (5-year golf cart loan)
  - Bunker renovation
  - IT Equipment
  - Harbor Club furniture
- New \$210k Kitchen equipment will be leased
  - Common for restaurants to lease equipment
  - Fits right into capital lease plan



## Capital Reserve & Kitchen Equipment Leases

	Descriptions	Term Begins	Term Ends	Total Lease/Loan	Monthly Payment
2014	TCF Equipment Finance 302 - Maintenance Equipment	Feb 2014	Jan 2019	\$186,195	\$3,714
2015	TCF Equipment Finance 303 - Maintenance Equipment	Sept 2015	Sept 2020	\$174,006	\$3,369
2015	Union Bank Golf Cart Loan	Oct 2015	Oct 2020	\$221,456	\$4,187
2017	TCF Equipment Finance 305 - Maintenance Equipment	May 2017	April 2022	\$70,605	\$1,445
2018	John Deere Financial - Maintenance Equipment	May 2018	April 2023	\$134,715	<u>\$2,547</u>
				Current Monthly Payment	\$15,262
				Lease 302 ends (1/19)	-\$3,714
2019	Kitchen Equipment Lease	Nov 2019	Oct 2024	\$210,000	<u>\$4,158</u>
				New Monthly Payment	\$15,706
	Next Golf Equipment Lease –				
2019	Can begin as soon as expansion is built				
			Lease 303 &	Golf Cart Loan end (10/20)	<u>-\$7,556</u>
				Ending Monthly Payment	\$8,150

+ \$33,426  
over 9 mo



## Harbor Club Expansion What's Next?

- GLMG contract execution and bank approval
- Permits – Site, Building
- Construction
  - *Tentative* start date is Dec 3<sup>rd</sup> (depends on permitting)
  - 10-11 months of construction
  - Anticipate complete in Oct/Nov 2019
- During Construction
  - Please excuse our mess... and continue to support our Club
  - Stay out of all fenced construction areas. Hard hats required.

# Wrap-Up



## Ways You can Help Your Club

- Volunteer on a committee
- Submit an ACH pre-authorization for automatic monthly payments
- Refer a friend for membership, be an ambassador
- Think of the club for your private events
- Dine at the Harbor Club
- *Please bear with us and continue to visit the club during construction*