



2019 Annual Membership Meeting

November 19, 2019



Agenda

- Board Introductions & Election Results
- Financial Report – 2019 YTD
- Club Programs
 - Membership, Golf, Tennis, Harbor Club
 - Member Grille Naming Contest
- Harbor Club Expansion Update
 - Construction Update
 - Project Budget & Expanded Scope
 - Marketing & Operations



2019 Board of Directors

	<u>Office Held</u>	<u>Committee Chaired</u>
• Deborah McManus	Chairman	Technology
• Bob Stumpf	Vice-Chairman	Membership
• Michael Woodcock	Treasurer	Finance
• Ron Ball	Secretary	Social
• Brett DeGallery		Golf & Green
• Fred Jenne		Tennis
• John Statler		Harbor Club & Expansion
• Steve Gress	Asset Mgt Liaison	



2020 Board of Directors

	<u>Membership Type</u>	<u>Term Expires</u>
• John Statler	Full Golf	12/31/20
• Ron Ball	Social	12/31/20
• Brett DeGallery	Full Golf	12/31/21
• Leslie Hummel	At-Large	12/31/21
• Don Pressley	Full Golf	12/31/22
• Jim Bost	Full Golf	12/31/22
• Phil Basso	Social/Tennis	12/31/22
• <i>Steve Gress</i>	<i>Asset Mgt Liaison</i>	



Financial Report

Michael Woodcock
Treasurer



Balance Sheet Assets

Oct 31, 19

Current Assets

Checking/Savings (Unrestricted)

\$ 72,859

Restricted Accounts

Union Capital Reserve

\$ 169,065

Union Harbor Club Expansion

284,807

Debt Service Account

60,256

Total Restricted Accounts

514,128

Accounts Receivable (Net Allowance for Doubtful Accounts)

276,498

Other Current Assets

61,611

Total Current Assets

\$925,096



Balance Sheet Assets

Oct 31, 19

Fixed Assets

FF&E	\$1,230,203
Golf Course	132,171
Building Improvements	16,242
Harbor Club Expansion	1,941,050
Expansion Equipment	212,832
(Accumulated Depreciation)	<u>(671,100)</u>

Total Fixed Assets

\$2,861,398

Total Assets

\$3,786,494



Balance Sheet Liabilities & Equity

Oct 31, 19

Current Liabilities

Accounts Payable		\$ 48,257
Credit Cards		7,926
Other Current Liabilities		
Union Line of Credit	\$ 35,000	
Deposit – Special Events	25,000	
Accrued Payroll	46,458	
Prepaid Minimums	13,052	
Dues Paid in Advance	97,810	
Other	<u>43,355</u>	
Total Other Current Liabilities		<u>260,675</u>
Total Current Liabilities		\$ 316,858



Balance Sheet Liabilities & Equity

	<u>Oct 31, 19</u>	<u>Lease Ends</u>
Long Term Liabilities		
Capital Lease – Reserve – TCF303	\$ 34,959	9/20
Golf Cart Loan	48,881	9/20
Capital Lease – Reserve – TCF305	42,205	3/22
Capital Lease – Reserve – JD	97,815	4/23
Capital Lease – Reserve – Marlin	205,554	11/24
Expansion Construction Loan	<u>1,151,969</u>	
Total Long Term Liabilities	<u>\$1,581,383</u>	
Total Liabilities	1,898,241	
Total Equity	<u>1,888,253</u>	
Total Liabilities and Equity	<u>\$3,786,494</u>	



P&L YTD Comparison to Prior Year and to Budget

	<u>YTD Oct '18</u>	<u>YTD Oct '19</u>	<u>Budget Oct '19</u>	<u>Actual/Budget '19</u>
Revenue				
Membership	\$1,000,030	1,088,165	1,043,962	
Food & Beverage	790,291	796,567	703,309	
Golf	480,032	536,625	510,503	
Tennis	49,404	26,185	52,985	
Other Income	38,173	51,971	32,250	
Interest Income	<u>1,072</u>	<u>1,259</u>	<u>000</u>	
Total	\$ 2,359,002	\$ 2,500,772	\$ 2,343,009	107%
Expenses	<u>\$ 2,349,167</u>	<u>2,421,085</u>	<u>2,312,494</u>	105%
Net Income/(Loss)	\$ 9,835	\$ 79,687	\$ 30,515	261%



Club Program Reports

Bret Shifflett
General Manager



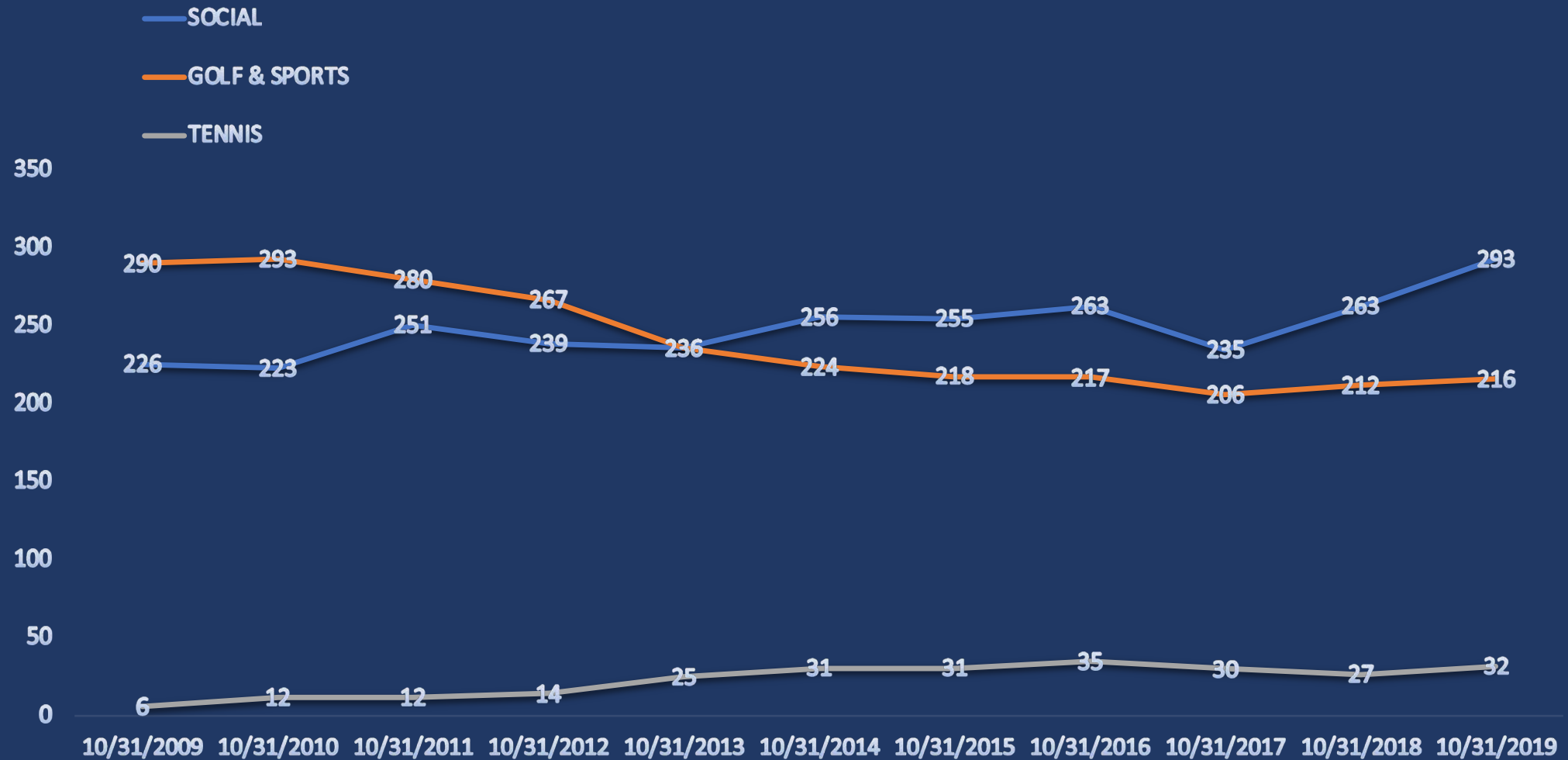
Membership “A Great Story to Tell”

Membership Keys: Targeted promotions, Excellent Service, Member Referrals, and Member Retention

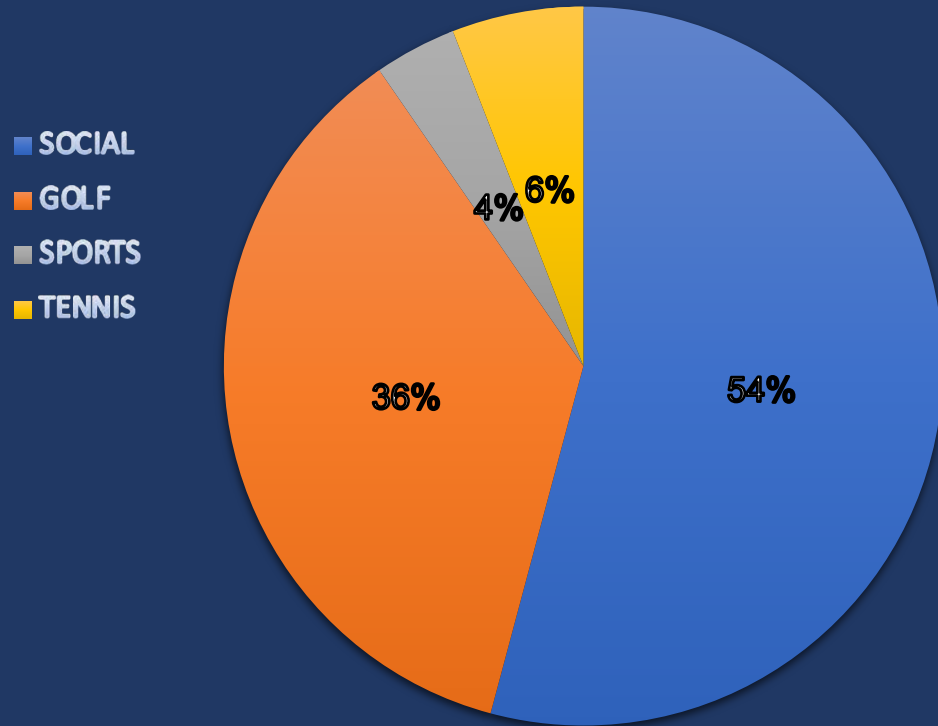
- **Membership Committee Promotions**
 - Beat the Sleet (11), Swing into Spring (7), Hard Hat Special (43), Fall Frenzy (7), We Want You Back (7)
- **Member Referrals** – Over half of our new members this year have been referred by a current member
- **Membership Open Houses**
 - Summer Open House: 5 new members + Fall Harbor Club Open House: 80 attending & 2 new members
- **Resulting Membership Growth:** 9% growth this year, highest level in 8 years, most social memberships ever

	Jan. 1st	Nov. 1st	Variance
	<u>2019</u>	<u>2019</u>	
• Social	261	293	+32
• Golf & Sports	210	216	+6
• Tennis	25	32	+7
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• Totals	496	541	+45

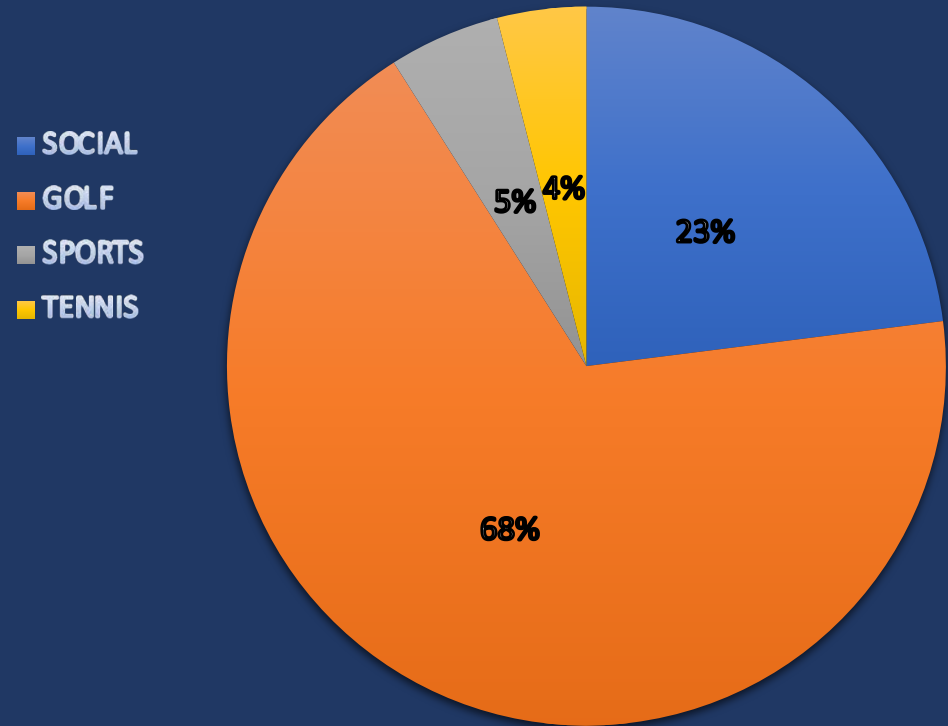
Changing Dynamics of our Memberships over the last 10 years. Social Memberships Strong & Growing Golf Memberships Stable for Last 5 Years



Membership Composition



Dues Revenue Composition





Membership & Event Sales Marketing

To ensure continued success of our club, we have worked with Simpatico Design Studio to develop a professional Sales and Marketing plan for 2019 & 2020.

- **Social Media Management & Online Marketing**

- Website hosting since late 2018
- Professional Facebook, Instagram, Pinterest and LinkedIn
- Pay-per-click (PPC) Digital Advertising

- **Sales & Communications Team Members**

- Jessica Hewlett – Our new Private Event Manager
- Jennifer Lavarine – Member Communications



A screenshot of a Facebook post from Fawn Lake Country Club. The post features a photo of a golfer in a yellow shirt and dark shorts swinging a club on a green. The text of the post reads: "Enjoy the Country Club lifestyle: Arnold Palmer designed golf course, Har-Tru clay tennis facilities & social dining at The Harbor Club." Below the photo is a call to action: "FAWNLAKECC.COM Become a Member Enjoy the country club lifestyle" with a "LEARN MORE" button. At the bottom are icons for "Like", "Comment", and "Share".



Golf “A Great Year for Golf”

- **Increased Participation with compelling programs, good weather & interest in development programs**
 - Golf Rounds up 15%: poised to break 12,000 rounds and have the most rounds played in recent years.
 - 20 outside Golf Outings in 2019. Participation and Revenue are up over recent years as well.
 - Golf instruction doubled this year with well attended Adult Clinics, Junior Camps & Private Lessons
 - Golf Merchandise Sales up 12% to last year.
- **Ladies Golf**
 - Excellent Turnout for LGA play
 - Qualified & Competed in Virginia State Team Championships
 - Hosted the VSGA Women’s Fourball Two Day Tournament
- **Men’s Golf**
 - Many new players in Saturday Men’s Golf Events
 - Participation up 33% for all Men’s Golf Events this year
 - 77 different players completed in a Saturday Sweet 16 Event
- **Junior Golf – PGA Junior League**
 - 40 children competing on 4 PGA Junior League teams - 2 in Spring and 2 in the fall.
 - Hosted a Peggy Kirk Bell Junior Golf Tour Event



Golf "A Great Year for Golf"

- **2019 Improvements**

- Practice Range Mats have been replaced after 8 years.
- Range ball picking unit was replaced.
- New Golf Shop Phone System installed & connected with the Harbor Clubhouse.
- Deep Tine Greens Aeration and Fairway Aeration completed this year.
- New Irrigation Pump installed.

- **Thank you**

- Our 2019 Golf Committee really stepped forward to energize our program.
- All the parents & volunteers who have been involved with our multiple PGA Junior League Teams.
- All Members who volunteered as player assistants for charity and Junior golf events.

Tennis

- **Great year of events planned by our Tennis Committee**

- Successful events including 65 people at our Opening Day Courtside Kickoff.
- Well attended Club Championship Series, Breakfast at Wimbledon and the Labor Day Clam Bake .
- Just completed a great Tennis Member/Guest Tournament with a new Championship Team in 2019.
- Good turnout for our summer Junior Camps.
- Superb Volunteer complimentary Junior Clinics in September. Hope to build on enthusiasm for 2020.

- **Facility Improvements**

- Renovated our tennis shed to a functional Tennis Pro Shop office with A/C & Wi-Fi.
- Added Tennis merchandise to the Tennis Pro Shop including rackets, balls, strings, grips and accessories.
- Added courtside tables & umbrellas, Ball Machine mini-shed, outdoor misting fan & outdoor lighting.
- Committee provided coordination and oversight of hard court resurfacing including 2 new nets.



Harbor Club “Think Harbor Club First”

- **Challenges Accepted & Overcome**

- Communication & teamwork with GLMG key to keeping club open throughout construction
- Space reduction (no Lake Room, no patio, reduced terrace space, reduced storage space)
- Demolition & construction around kitchen & offices; plumbing and electric lines runs through the building; a telecom/data change over; and sewer line installation through parking lot
- Deliveries and even getting to the front door have been a challenge some days
- Thank you to our Harbor Club Staff for their efforts to maintain proper levels of service

- **Thank you to our members for your support**

- You have made a difference! Your continued patience and patronage through construction is amazing.



Harbor Club “Think Harbor Club First”

With loyal support & innovative programming we increased revenue even with a lack of private events

- **Key 2019 Harbor Club Stats**

- \$102k increase in member dining revenue over last year
- 59 new social memberships led to \$48k increase in Social Membership Revenue
- 4% increase in Total Income
- We have seen a complete turnaround in this department which helps our Club in all departments.

- **New programming this year**

- 70 members in new Wine Society
- Take Out Tuesday and Acoustic Thursdays have been a hit
- Trivia nights have grown throughout the year and consistently sell out
- Hosted 4 well attended New Member Reception dinners sponsored by Membership Committee
- Don't forget to sign up for Saturday's Member Appreciation Dinner and Tours



Our New Member's Grille

- **Renaming contest**
 - Thank you to all who offered up suggestions
 - We had over 200 submissions for our new restaurant
 - We had 4 members submit the winning name
 - Congratulations to Russ Mueller, Lad Rizman, Steve Gress and Tim & Colby Keilty
 - They will win a gift card and have their names on a plaque in our new...

Drum roll please!

Fawn Lake
COUNTRY CLUB

Lakeside Grille



*Fredericksburg Aerial Drone
Photography
Mike McCord
<http://www.fad-photo.com>*



Harbor Club Expansion Construction

Larry Welford
Expansion Committee Chair



Harbor Club Expansion

A Brief Look Back – December 7, 2018!



Fawn Lake
COUNTRY CLUB

Harbor Club Expansion

May ,2019.....Less than 6 months ago!



*Fredericksburg Aerial Drone
Photography
Mike McCord
<http://www.fad-photo.com>*

Fawn Lake
COUNTRY CLUB

TODAY!!!

Harbor Club Expansion



Fredericksburg Aerial Drone Photography
Mike McCord
<http://www.fad-photo.com>

Fawn Lake
COUNTRY CLUB

Harbor Club Expansion

Today!.....What Progress We Have Made!!



*Fredericksburg Aerial Drone
Photography
Mike McCord
<http://www.fad-photo.com>*

Fawn Lake
COUNTRY CLUB

Harbor Club Expansion

The Cove at Fawn Lake Country Club

View from the Lake



Harbor Club Expansion

View Looking Toward the Lake



Harbor Club Expansion

Comfortable Seating for a 200 person event



2019.11.16 09:08

Harbor Club Expansion

View Looking Toward the New Front Entrance and Lobby





Harbor Club Expansion

What This Facility Provides:

- Event Space for 200 plus Attendees
- Incredible Lake Views
- Outside Gathering Space
- Upscale Front Entrance and Lobby
- Brides Room
- New Restrooms
- Audio System
- Video System



Harbor Club Expansion

Just for Fun....What Was Promised....What is Being Delivered



Fawn Lake
COUNTRY CLUB

The Lakeside Grille

Harbor Club Expansion



Harbor Club Expansion

Looking Toward the New Lakeside Grille Bar!



Harbor Club Expansion

Enhanced View of the Golf Course!





Harbor Club Expansion

Where the Magic Happens!



Fawn Lake
COUNTRY CLUB

What Powers this Place

Harbor Club Expansion





Harbor Club Expansion

What This Facility Provides:

- Casual Dining for over 90 Members
- Outside Seating for over 60 More Members
- Incredible Golf Course View
- Bar Seating for 13
- 7 Foot Diameter Outside Fire Pit
- New State of the Art Commercial Kitchen
- New Restrooms
- Audio System
- Video Entertainment System – Inside and Outside



Harbor Club Expansion

A Complete Package: Additional Parking – Cars and Carts



Fawn Lake
COUNTRY CLUB

Harbor Club Expansion

We Are Almost There!!!



*Fredericksburg Aerial Drone
Photography
Mike McCord
<http://www.fad-photo.com>*



Harbor Club Expansion

Budget, Marketing, Operations

Deborah McManus
Board Chair



Harbor Club Expansion Budget & Funding

Original Budget Nov 13, 2018

Total Project Budget

Construction Cost	\$ 2,713,700
Other Costs	480,850
Soft Costs	<u>334,160</u>
	\$ 3,528,710

\$3.53M Funding

\$2.4M Union Bank Loan
\$450k NTS equity contribution
\$470k FLCC equity contribution
\$210k Kitchen equipment lease



Harbor Club Expansion Budget & Funding – Construction Costs

67 Change Orders To Date

-\$62,350 Value Engineering
+\$48,540 Enhanced Facility Design
+\$25,029 Soils & Weather Related
+\$ 3,221 REC Power Line Conflict
+\$39,664 County Related
+\$36,233 Document Deficiencies
-\$11,685 Other
\$78,652



Harbor Club Expansion Budget & Funding – Construction Costs

New Construction Budget

\$2,713,700
+ 78,652 COs
- 4,348 Contingency
\$2,788,004 (+\$74,304 or 2.7%)

Paid to Date:

\$1,711,834 (61%)

Notes:

- \$5k electrical op allowance not yet utilized
- COs yet to come:
 - Major electrical CO
 - Final sitework true-up
 - Small walkway changes
 - New Servery plumbing addition
 - 4 Restrooms mirror trim detail



Harbor Club Expansion Budget & Funding – Other Costs

New Other Costs Budget

\$480,850

+ 106,740 new estimates

- 75,000 contingency

\$512,590 (+\$31,740k or 6.6%)

Paid to Date:

\$309,347 (60%)

Biggest Changes

- +\$30k Furniture, POS, Security, TV/AV
- +\$14k Kitchen Equip + Cooler Hook Up
- +\$22k Landscape
- +\$14k Fire Pit/Propane/Ops/Const related
- +\$ 9k Survey requirements
- +\$12k Materials Testing
- +\$ 4k Permit Fees



Harbor Club Expansion Budget & Funding – Soft Costs

New Soft Costs Budget

\$334,160

+ 36,000 *Added Interest Carry*

+ 12,368 *Other Misc Soft Costs*

\$382,528 (+\$48,368 or 14.5%)

Paid to Date:

\$349,600 (91%)

Soft Costs:

- Loan Closing Costs
- Professional Fees During Design
- Professional Fees During Construction
- Bank Fees
- Utility Fees
- Insurance
- *Construction Loan Carrying Costs*
 - *6 month extension on interest only payments*
 - *First P&I payment now 5/13/2020*



Harbor Club Expansion Total Project Budget

	Budget 11/13/18	Budget 11/19/19	Variance	Paid to Date
Construction Costs	2,713,700	2,788,004	74,304	1,711,834
Other Costs	480,850	512,590	31,740	309,347
Soft Costs	334,160	382,528	48,368	349,600
TOTAL PROJECT	3,528,710	3,683,122	154,412	2,370,781

4.37% of old budget 67% of new budget



Harbor Club Expansion Total Project Funding

	Budget 11/13/18	Estimate 11/19/19	Variance	Funded/Spent to Date
Bank Loan	2,400,000	2,400,000	0	1,355,571
NTS Equity Contribution	450,000	450,000	0	400,000
FLCC Equity Contribution	470,000	620,289*	150,289*	402,377
Kitchen Equipment Lease	210,000	212,833	2,833	212,833
TOTAL PROJECT	3,530,000	3,683,122	153,122	2,370,781

- *Balance will come from FLCC cash generated from:*
 - *\$500 expansion assessment from new members*
 - *\$20/month cash transfer from all members*



Harbor Club Expansion Expanded Scope

“Expanded Scope” – *What is it?*

Additional project initiatives that add value but are not included in \$3.5M budget.

Expanded scope items

- Increase membership acquisition, and/or
- Increase membership satisfaction and retention, and/or
- Increase private event sales, and/or
- Improve private event profitability

Some Examples....



Harbor Club Expansion Expanded Scope

Reseal & Stripe existing parking lot



Harbor Club Expansion Expanded Scope

Switch out existing outdoor sconces to match new sconces



Front Entrance

Rear Veranda



Harbor Club Expansion Expanded Scope



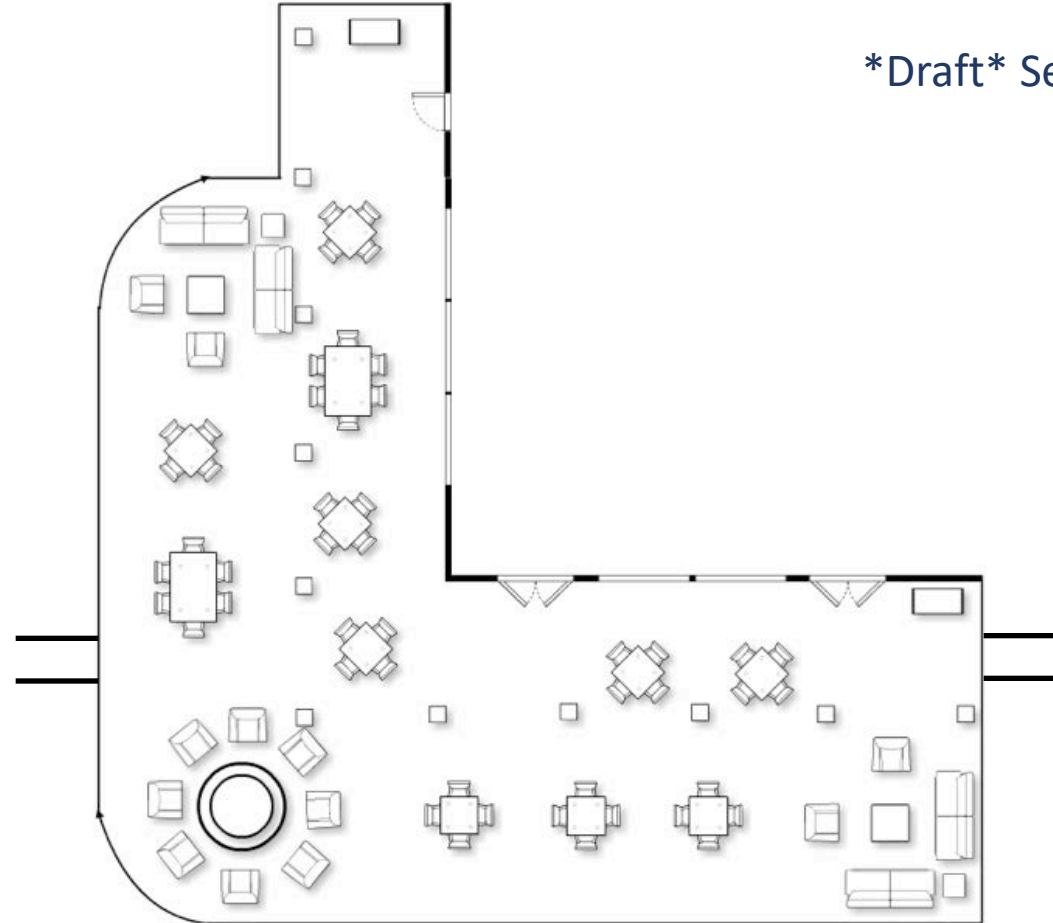
Replace
veranda
carpet



Harbor Club Expansion Expanded Scope

Purchase new
Lakeside Grille
outdoor
furniture

Draft Seating for 68



Harbor Club Expansion Expanded Scope

Purchase event furniture & equipment



Chiavari Chairs



5' round tables



Portable Bars



Lectern



Mobile Staging

Harbor Club Expansion Expanded Scope

Professional
Landscape
Architect
Services +
Enhanced
Hardscape
Landscape
Lighting





Harbor Club Expansion Expanded Scope

Expanded Scope Budget: \$175,000

Project Timeline: Spring 2020

Funded by 5 Lifetime Membership Sponsorships:

Jerry & Melissa Watson

Chad & Krystal Bell

Anonymous in Memory of Ralph DeRosa & Rick Berry

John & Deborah McManus

?



Harbor Club Expansion Marketing

Utilization of The Cove at Fawn Lake Country Club

- Move current large Member Events into The Cove
Easter, Mother's Day, July 4th, Member-Guest, Thanksgiving, Annual Meeting
- Introduce new Member Events into The Cove
Musical Performances, Book & Author Dinners, Lectures, other special events
- Attract weddings, corporate, civic, and golf tournament events – marketing required



Harbor Club Expansion Marketing



www.fawnlakeecc.com

www.fawnlakeecc.com/thecove



FawnLakeCC



TheCoveAtFawnLakeCC



FawnLakeCC



TheCoveAtFawnLakeCC



FawnLakeCC



TheCoveAtFawnLakeCC



Company/TheCoveAtFawnLakeCC



Harbor Club Expansion Marketing

 **SIMPATICO** - Marketing Services provider to Fawn Lake Country Club

Initial Marketing Set-Up

Marketing Strategy: Targets, Messaging, Lead Process

Logo design, stationery, brand guide, social images

GoogleMyBusiness set up

Social Media Channel set up

2 Cove Microsites + Landing Pages set up

Professional Photo Shoot

Digital & Print Brochures

Flyer Design

Signage Design

On-Going Marketing Services

Social Media Management (FLCC + The Cove)

FLCC Website Hosting & Maintenance

Quarterly SEO

Pay-per-click Digital Advertising (FLCC + The Cove)

Reporting



Harbor Club Expansion Expansion Operations

Expanded Harbor Club set to open late February 2020

How do we plan to operate it?

Bret Shifflett (GM) & Heather Allen (Harbor Club Manager) have done extensive Strategic Planning

- Multiple Reviews and Iterations
- Board of Directors Special Meeting to review

Here's an overview...



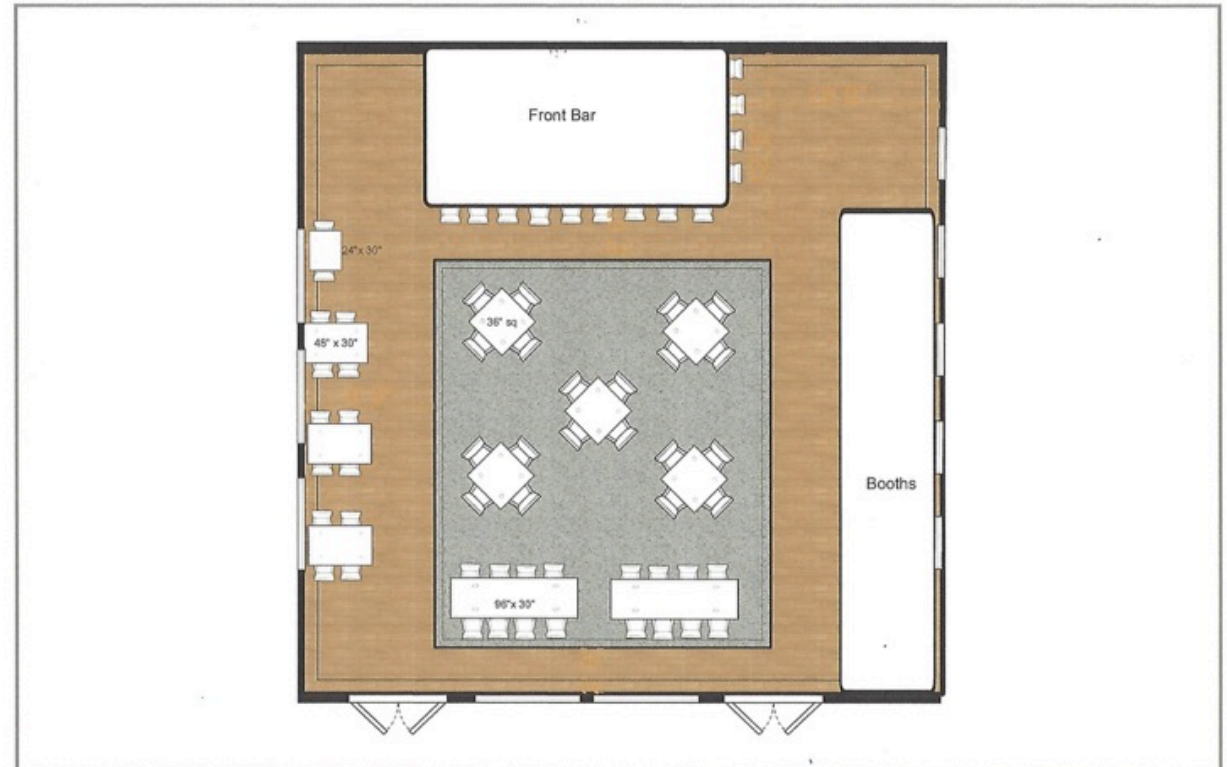
Harbor Club Expansion Expansion Operations

Operations Planning – Description of Service

	Harbor Club	Lakeside Grille	The Cove
ATMOSPHERE	Upscale	Casual, fun	Event Specific
DRESS CODE	Indoor dining room + bar: same (no hats, jeans) Outdoor veranda: casual	Casual (hats, jeans permitted)	Event Specific
HOURS	Start Thrs-Sat + Sun brunch Increase with demand Season Dependent	Same as current HC Tues-Sun + holiday No private events	On Demand No Friday eve outdoor events
RESERVATIONS	Required	Not accepted Call ahead for large groups	Requires signed contract and deposit
MENU	Small, upscale menu changes weekly	One large menu Offered all day	Catering Menus

Harbor Club Expansion Expansion Operations

Lakeside Grille Indoor Seating Casual Seating for 93



Fawn Lake Member's Grille - carpet option I

Created by Anne Hale Interior Design



Harbor Club Expansion Expansion Operations

Internal Operations

- Hiring has started (includes Indeed, Craig's List, LinkedIn, referrals)
- Training – 5 day process includes shadowing and hands on training at different stations
- Scheduling template in place that includes new venues
- Certifications – Additional certifications identified and scheduled (new AED will be placed in HC)
- Daily Checklists – Updated for opening, closing, housekeeping, bar/server/host
- Vendors – Reviewed vendor list, updated delivery process
- Detailed Storage plans (a lot of new storage capacity)
- Inventory Control - updated storage and control processes
- Menu Planning & Pricing – recipe cards, event P&L review, COGS reporting
- Service Planning – Restaurant, Event, Carry Out, Curbside Service, Poolside Service, Golf on the Go



Harbor Club Expansion Expansion Operations

Reporting

- Daily, Weekly, Monthly
- Manager, GM, Harbor Club Chair, Board

Event Sales

- Sales procedures including CRM, Online contracts, deposit, payment procedures
- Menu & package design for Weddings, Golf Outings, and Other Events

Parking & Safety – In Review

- Sign placement & design
- Parking lot traffic flow, overflow parking, bus/trolley parking
- Security procedures





Harbor Club Expansion Expansion Operations

Technology Planning

- Use of Club Prophet Systems to track revenue & covers in each venue
- CPS Air options for iPad use (mobile bars, outdoor grills, poolside, beverage cart)
- Adding 3 POS to the Lakeside Grille
- 4 new kitchen printers (Expo, Hot, Cold, Pizza) vs 1 printer in current kitchen
- Internet – Upgraded to Verizon Fios fastest speed available
- WiFi Internet Access Points
- TV Service Plan – DirecTV (NFL Sunday Ticket) in Lakeside Grille, VerizonTV remains in HC
- Music Service Plan – Sonos, Verizon
- Phone System – added 5 (Event Sales, Grille Bar, Grille Host Stand, Kitchen, Cove Servery)
- Security Plan – New security monitoring provider & equipment



Harbor Club Expansion Expansion Operations

Opening requires more than an OP and furniture.... A lot of new processes will be put into action

Soft Opening – Patience Requested

- Membership Open House for Lakeside Grille & The Cove – food stations & bar service only
- Limited, invitation only, event(s) in the Lakeside Grille
- Limited, invitation only, event(s) in the The Cove
- “Member Guest” Open House for Lakeside Grille & The Cove – food stations & bar service only
- At first, limited capacity in Lakeside Grille - reservation only temporarily
- At first, introductory hours and menu, gradually increasing both

Assume Feb-April gradual opening



Harbor Club Expansion

Final Thoughts...

We are almost done with exterior of building – Soon to have brand new parking, new paint, new lights.

Next up we'll see interior improvements - drywall, paint, flooring, and fixtures. Furniture installation early Feb.

Just imagine our new Club finally opening!

- Consider your first impressions – how change impacts you, how it impacts the club & community
- Give change the time and opportunity to work itself through
- Continuous improvement will be a key priority in 2020 – patience, understanding, & constructive feedback encouraged. The board, management, and staff ARE STRIVING TO GET THIS RIGHT

Most importantly, thank you for such an incredibly positive year amid all our challenges. Our staff and volunteer committees hit it out of the park. Our membership is the best of any club. We are on the right track....

Thanks you are incredible!

Wrap-Up