

# MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE CLUB AT COBBLE CREEK, INC.

A meeting of the board of directors of THE CLUB AT COBBLE CREEK, INC. (the "Club") was held on January 12, 2023, at 8am. Those present and participating at the meeting:

Mike Weber, President/Acting Treasurer

Pat Pitz, Vice President

Betsy (Betty) Willy, Secretary

Gary Poteet -via telephone speaker

Eric Wolf

Eddie Anderson, General Manager

**Approval of Agenda:** This Special meeting of the BOD was called for the purpose of discussing and acting upon a proposed amendment to the 2019 issue of the Club at Cobble Creek Bylaws in addition to routine board matters. Board members have received proper notification of the Special Meeting Agenda per the current Bylaw Amendment Process and are all present. The agenda was approved unanimously by the Board of Directors.

**Approval of Minutes:** The Minutes for January 3, 2023, were ratified as revised and approved by the BOD by email.

## **General Manager's Report:**

- **Budget Report:** Eddie presented the 2023 budget to the BOD for approval. See posted budget on CC website. For comparison purposes, he also presented a draft of the 2022 profit and loss statement through December 31, 2022.
  - **Highlights:**
    - Net Operating Income is estimated to be \$122,954.
    - The budget does not include the 2023 long term liability for equipment leases of approximately \$36,000, which will drop to approximately \$9,000 in 2024. The Golf cart lease at \$49,000 is factored into the actual budget. Eddie will include a notation on the budget reflecting the \$36,000 long-term liability which will appear on our balance sheet.
    - Eddie reported that using 2022 years' experience and the current economy, the 2023 budget is conservative and takes into account increased wages based on the new minimum wage and salary adjustments. All employees are paid minimum wage or above with tavern employees receiving tip sharing in addition to minimum wage. The BOD approved wage increases for the ground's crew which were proposed in December along with specific individual increases of additional employees to reflect their job responsibilities and

performance. Stability of our employee base is critical to the financial stability of the Club.

- The Club has experienced six club membership terminations. Several members have changed from annual golf fee memberships to punch cards.
  - The estimate for golf merchandise sales was projected as flat this coming year.
  - Food and beverage as well as Event's revenue is expected to increase. 2022 gross revenue for the tavern is \$287,000 vs \$161,000 in 2021.
  - Events overall accounted for approximately \$50,000 gross income with \$20,000 coming from December events alone. He reported that Kayla has booked four weddings so far for the coming year.
  - Recruitment of an Events Manager and Tavern Manager has been deferred until February. The tavern manager position will absorb some cooking responsibilities.
  - Mike requested that Eddie set a target for recruitment of corporate memberships.
- **Staffing Level for Grounds Crew:** Discussion followed during which the BOD requested clarification from Eddie of the staff level needed by Paul's Grounds Crew to maintain the quality and presentation of the Golf Course. Eddie will discuss this further with Paul Heide and report back to the board. He stated that Paul's costs for fertilizer will decrease this coming year while the cost of sand will increase.
  - **Potential use of member volunteers:** Once again, the Club will be looking for volunteers for specific maintenance jobs including possible intermittent landscape maintenance through the "Adopt a Garden" program headed up by Sheri and Bill Crittenden, staining of the storage area and entrance doors to the Tavern, and possibly window washing among other projects as they are identified. This will need to be organized utilizing the Volunteer Network coordinated by Donna Luhrs.
  - **Budget Approval:** The 2023 proposed budget was approved unanimously by the BOD with the request that appropriate notation regarding long term lease expense be added as a footnote.

**Proposed By-Law Change:** The BOD of the Club is committed to the transparency of Club operations and financial information. However, there are situations when the board meets in executive session to discuss sensitive matters. To protect employees and member privacy and prevent the premature release of inaccurate and or preliminary business information, the board has identified the need to formalize and ensure confidentiality of sensitive information discussed in executive session and/or disseminated to board members for their review and discussion including personnel decisions, legal opinions and/or actions, executive session discussions, as well as preliminary business discussions among other issues.

Also routinely required of members of a board of directors is disclosure of any actual or perceived business conflicts of interest.

To meet these needs, the BOD passed a resolution to amend the Club at Cobble Creek Bylaws. The essence of this Resolution reads in part as follows:

- “The Bylaws of the Club shall be amended and restated to require that all current members of the Board of Directors and newly elected or appointed members to the Board of Directors shall execute and deliver to the Board a confidentiality and nondisclosure agreement in the form determined by the Board.”

The actual wording change to the Bylaws is an additional sentence added to the end of the last paragraph of Article IV. Board of Directors; Section 4.01: Selection and Qualification:

- “Before assuming their duties as Directors all elected or appointed Directors shall execute and deliver to the Board a confidentiality and nondisclosure agreement in the form determined by the Board.”

This amendment will be retroactive requiring current board members including those vacating their positions January 14, 2022, to comply with this agreement returning all confidential information to the board and deleting such from their personal computers at the end of their term.

Both the resolution and the Amendment to the Club at Cobble Creek Bylaws will be posted on the Club website for member review. The current bylaws allow that “The Bylaws of the Club may be adopted, altered, or amended at any annual or special meetings of the Board by resolution approved by the affirmative vote of a majority of all Directors.” The BOD meeting held 1/12/2023 was noticed to the board members as a “Special Meeting” for this purpose in addition to other agenda items.

A confidentiality agreement form is being drawn up with the assistance of the Club’s attorney and will be implemented immediately. In addition, a separate confidentiality agreement will be provided to committee members for their agreement to allow specific committees to access and utilize sensitive business information critical to the mission of that committee.

**Mission Statement:** The BOD formally approved the following Mission Statement to be utilized as a guide for the future of the Club at Cobble Creek.

# THE CLUB AT COBBLE CREEK

## MISSION

To be an exceptional Golf Club Community.

## VISION

We envision The Club as an organization in which we strive for common community goals and consistently exceed the expectations of our members and guests.

## VALUES

We value the dignity and worth of all individuals.

## GUIDING PRINCIPLE

As a community of homeowners, we are dedicated to supporting each other and working together to create an exceptional community environment for our members, guests and employees while maintaining the financial integrity of the community business.

**Executive session was then convened.** The BOD meeting was reconvened, and no further actions were taken.

There being no further business, upon motion duly made, seconded, and unanimously carried, the meeting was adjourned at 10am.

*Betsy Willy*

*Secretary*