

Waterlefe Community Development District

Golf Committee Minutes

August 16, 2018

Present: Tony Tierno – Chairperson, Ted Cole - Vice Chairperson (by phone), Bill Gratsch (by phone) Scott Ellsworth, Bill Stasiuk, Audrey Bilotti, Bill Shopovick and Tony Maddaloni.

Absent: Tom Conrad, Jeri Haibach, Barbie Brand, Bill Vernal and Herb Krasow. A quorum was established.

Other Attendees: Steve Dietz (Golf Course GM), and Janice Reed (Golf Course Director of Membership & Marketing)

Call to Order: Meeting was called to order @ 12:00 PM by Mr. Tierno.

Minutes: The minutes from the June 14, 2018 meeting were reviewed and unanimously approved.

Public Comments: Steve Slocum, a Waterlefe resident, addressed the Committee requesting consideration be given to provide support to a Mr. Seath Lauer, an individual who is well known by many Waterlefe Passport Members and residents. Mr. Lauer is a professional golfer and intends to play in a Web.Com Golf Tournament that will be held at the Lakewood National Golf Course in February, 2019. However, Mr. Lauer needs support in order to receive a sponsor's exemption to play in this event. Mr. Slocum explained that the support he is requesting for Mr. Lauer was not for financial aid but could be in the form of purchasing tickets for this event referencing Mr. Lauer's name.

Mr. Slocum was told that the Committee did not have the authority to respond to his request. After a short discussion, representatives from the WWGA and WMGA agreed to help develop a support program for Mr. Lauer efforts through their organizations.

Golf Course Operations:

Financials (reported by Dietz):

- It was explained that the 2018/2019 Golf Course Budget needed to be amended. The amendments were related to financial transactions that the CDD Board agreed to perform that would assist the Golf Course during the next fiscal year and the impact of accounting changes resulting from the external audit of the 2017/2018 CDD/Golf Course financial statements. These transactions were explained by Steve Dietz and resulted in the following significant changes to the 2018/ 2019 Golf Course Budget:
 - EBITDA of \$128,701 versus \$104,041.
 - Cash flow of a positive \$23,435 versus \$2,976.
 - The detailed budget is available from the General Manager of Golf Course Operations
 - **A motion was made to approve the amended budget. The motion was unanimously approved.**
- May's, 2018 EBITDA was reported to be a negative of \$51,579 versus a budgeted EBITDA of a negative \$18,785. The resulting unfavorable variance was \$32,794. The major cause of this variance were revenues and rounds being significantly unfavorable to budget. Additionally, maintenance projects exceeded budget due to the number of projects that were completed versus what was budgeted.
- June's, 2018 EBITDA was reported to be a negative \$18,971 versus a budgeted EBITDA of a negative \$55,977. The resulting favorable variance was \$37,006. The major cause of this variance were revenues and rounds being significantly favorable to budget.
- Though June, 2018, EBITDA is favorable compared to budget by \$17,547.
- Through June, 2018, total memberships were equal to budget at 140.

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- As of June 30, 2018, our cash balance was \$368,784. This was a reduction of \$145,575 for both May and June. This reduction is mainly due to negative operating results for this two month period and a significant reduction in operating liabilities.
- **A copy of the Monthly Financial Summary for May and June and year to date financial data are located at the Waterlefe Community Website.**
- The year-end (9/30/2018) cash balance is now projected to be approximately \$125,000. This is a small decrease from prior estimates of \$150,000. The decrease is related to capital projects that are being conducted.
- As of the date of these minutes, July's rounds and revenues were favorable to budget.
- As of the date these minutes, August's rounds and revenues were favorable to budget.

Marketing & Sales (reported by Reed):

- Passport Membership remain at 140. Our membership will drop to 139 at the end of August. We have 38 non-resident Passport Memberships.
- Summer Memberships continue to increase. Currently we have 46 Summer Memberships, a record. The addition of River Club privileges to the Summer Passport Membership program has proven to have a positive impact on the program.
- A permit has been secured for the new permanent golf sign for motorist driving south on Upper Manatee River Road. It is hoped that this project will be completed soon.
- Janice is continuing to work with the Pittsburgh Pirates regarding a possible marketing arrangement which may include the CDD and the MPOA.
- August 25th has been scheduled as Waterlefe Day at LECOM Park.

Pro Shop/Grille Room (reported by Hill):

- The Beach Party Golf event was held on July 28th. The event was very successful. Unfortunately, some of the participants chose to remove their shirts during the event which caused some concerns among certain residents. It was reported that this problem was noted and will not occur if a future similar event is planned.
- NFL football will again be offered in the Grille Room.

Maintenance (reported by Dietz):

- Work has begun on the bunkers. This work will continue through September. To date, no major issues have developed.
- Work has begun on the Driving Range. This project will be completed in mid-September.
- The last maintenance closing was recently successfully completed. Additional work on drainage issues was performed on the first fairway.
- It was reported that Golf Course Maintenance will soon begin to assume responsibility for CDD maintenance issues within the community. Steve Dietz explained how this process will function and stressed that this added responsibility will not impact Golf Course Maintenance activities. Property Management will continue to field call from residents on maintenance matters and forward this information to Steve Dietz. Steve will then provide direction to resolving the related issue using Maintenance personnel.

Financial Subcommittee (reported by Tierno):

- It was reported that certain adjustments were made by the external auditors that will change how the golf course will record leases in the future. A meeting is being planned with Rizzetta and the auditors to review this matter in more detail.
- It was explained to the Committee that the CDD has agreed to finance the Driving Range improvements in the amount of \$50,000.

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- It was reported that the CDD Board has agreed to fund the purchase of 10 new Toro assets that are currently leased through PNC Corp. These are assets that the Golf Course intended to purchase when the lease expired. The CDD will loan approximately \$150,000 to the Golf Course to buy out the related lease. The current lease contains an interest charge which would have cost the Golf Course approximately \$19,000 over the term of the lease. The Golf Course will repay the CDD loan monthly over the term of the original lease and will not incur the current interest charge. This will prove to be a positive result for the community since the CDD has over \$1 million in its reserves and is not earning a significant return on this money.

Legal Subcommittee (reported by Krasow):

- No report

Fact Finding Subcommittee (reported by Tierno):

- No Report

Communications Subcommittee (reported by Stasiuk):

- No report.

Golf Operations Subcommittee (reported by Stasiuk):

- No report.

WMGA (reported by Ellsworth):

- No Report

WWGA (reported by Bilotti):

- No report.

It was moved and agreed to adjourn the meeting @ 2:15 P.M.

Respectively submitted on September 4, 2018 by:

Tony Tierno, Chairperson