

October President's Letter

While the formal golf events for the 2019 season are concluding this month, there is still plenty of time to enjoy great fall weather and take advantage of immaculately groomed fairways and greens on the course. At recent charity golf events, we heard from many guests that the course has never been in better condition and there is new vibrancy to the club with the Pub Room.

When you visit the club this fall, make sure to check out two capital projects that are underway. We are halfway finished with digging the new holding pond on the right of the fairway on hole 17. It's a big excavation project and it looks like we may have enough fill left over for other projects such as tee box improvements.

We have moved the irrigation lines, dug out the base and used fill from the pond project to make the new patio level with the existing patio. Many members are surprised by how large it is. After the ground settles, we will install pavers that we ordered based on the advice of members from the House and Hospitality Committees. Keep an eye on our progress.

Board of Governor's Actions

At the October 9 meeting, the Board approved both the 2020 operating and capital budgets, along with a multi-year capital plan. We will review the budgets and capital plan at the Annual Meeting – see below. Here are highlights of the Board actions.

2020 Operating Budget

The Board approved a \$1.9 million operating budget, based on membership dues revenue of \$1.33 million plus another \$570,000 in non-dues revenue. We assumed an 85% retention rate (based on levels over the past three years) of 331 memberships as of September 30, 2019. We also assumed that we will build on this year's successful membership recruitment that yielded 55 new memberships to date and be able to recruit 40 new members in 2020.

There are some important increases in 2020 over the 2019 operating budget. The new State of Connecticut minimum wage has already increased from \$10.10 to \$11.00/hour on October 1 and then will increase by \$1/hour every year until it reaches \$15/hour in June 2023. Since most of our seasonal golf and green staff are paid minimum wage, we need to budget and plan for these increases. The cost of the minimum wage increases in 2020 are projected to be \$46,000, the largest increase in our budget over 2019.

The budget includes filling an Assistant Green Superintendent that has been vacant for two years and salary adjustments and a bonus pool for our management staff.

To ensure that we have adequate revenue to balance the budget and meet any loan covenant restrictions, the Board approved a 2% increase in the 2020 annual dues for all golf membership categories. The revenue from the 2% increase will total \$26,000 and cover only part of the cost of the minimum wage increase; the remainder will need to come from additional memberships and other revenue sources.

Because the CT minimum wage increases over the next five years that cumulatively amount to 49%, we will need to retain and expand our membership, plan modest increases in dues and find ways to keep our expenses in check.

I want to thank the Finance Committee and Treasurer Rick Gibbons for all their work in preparing this budget.

2020 Capital Budget

The 2018 and 2019 Member Surveys showed significant support for many important capital projects. These include bunker renovations, new locker rooms, completing the outdoor patio and completing the hole by hole double row irrigation. The Survey also indicated that 80% of respondents support an increase of capital fees of \$200-400 to fund these critical projects. Except for the patio and pond, which will be finished by the opening of the club in April 2020, all the other major projects will take good planning and budgeting over multiple years.

The Capital Committee will be working with the Green Committee to set priorities over multiple years to determine a schedule for improvements of bunkers, irrigation and tee boxes on the course. The locker rooms are expected to cost over \$100,000 each to renovate. That work is planned to be phased in over two years.

For 2020, the Board approved a capital budget of \$466,000 including \$120,000 for the ladies locker room, patio furniture and firepit; \$50,000 for course renovation including bunkers; \$184,000 in capital maintenance costs (such as turf equipment replacement, new pins and flags, equipment leases, clubhouse hot water heater and furnace, and purchase of online software); and \$112,000 to cover land purchase debt service.

To accomplish this work and continue making progress in 2021 and 2022, the Board approved increases in the 2020 capital fees based on the following table:

Category	2019	2020	Category	2019	2020
Full Family	\$600	\$950	Jr. Family	\$300	\$600
Full Individual	\$300	\$650	Jr. Individual	\$200	\$400
Legends	\$400	\$650	Social	\$300	\$500
Preview	\$0	\$250	Midweek	\$300	\$600

I want to thank the Capital Planning Committee and Rick Harley, the Chair, for all their work in preparing this budget.

I also remind the membership that these are budgets based on certain assumptions. By having the budgets prepared well in advance of the fiscal year starting in January, we will be able to adjust after we see the final revenue and expense numbers for 2019 and membership numbers for the remainder of 2019.

Golf Simulators

The Board also authorized the Treasurer to obtain bids from multiple vendors to purchase indoor golf simulators that could be set up in the large clubhouse area farthest away from the Pub Room. If successful, the simulators could be ready for open play and lesson in early January. More details to follow.

Stonington Country Club Annual Meeting

The Annual Meeting will take place on Sunday, October 27 at 1 pm. The Treasurer will present the end of year financial statements from 2018, updates on revenue and expenses to date in 2019, the 2020 operating budget and answer any questions from the members. The Capital Planning Chair will present the long-term capital plan and the 2020 capital budget. Brief reports will be presented on golf, green, house and membership committee work by the Chairs.

The membership will then hear a report from Ed Ettinger, the Nominating Committee Chair, who will present the slate of officers and Board members for membership approval.

I encourage all members to attend the Annual Meeting.

Bob Evans, President