

To: NGCA Members
From: Barney Caulfield, Chairman NGCA
Re: Minutes of NGCA monthly meeting of June 17, 2020 conducted remotely by telephone pursuant to Executive Order 7B-1

Members Present

Bernard Caulfield
Richard Strouse
Michael Driscoll
David DiBattista
Bob Malouf
Susan Dutilly
Richard Podurgiel
Charles Whitty
J.P. Mereen

Others Present

Mike Svab, Pro Manager
Eric Kundahl, Course Superintendent
Tony Madeira, Finance Department
Ray Lathrop, Member's Club

Call to Order

- The June 17, 2020 meeting of the Norwich Golf Course Authority was conducted as a virtual meeting. Authority members, staff, and the public were able to participate in or listen to the meeting by dialing the call-in number, 860-215-8140, and when prompted entering the conference ID# 4038191 followed by the # sign.
- Mr. Madeira noted that the recording started at 7:00 p.m. With the start of recording Chairman Caulfield called the meeting to order at 7:00 p.m.

Minutes

- A motion to approve the minutes of the May 20, 2020 meeting was made by Ms. Dutilly, seconded by Mr. DiBattista, and approved 8-0, with Mr. Mereen abstaining.

Financial Report

Mr. Madeira presented copies of revised March and April 2020 Revenue and Expense reports which have been adjusted to reflect proper crediting of Revenue and Expenses in accordance with accounting standards. He also presented the May 2020 financial report and financial narrative.

A motion to accept these reports was made by Mr. Mereen, seconded by Mr. DiBattista, and approved unanimously with the actual presentation of the reports and explanation deferred to later in the meeting.

Mr. Madeira reported that Revenues for the month of May 2020 were \$147,532 compared to budgeted Revenues of \$107,285, \$40,067 over budgeted Revenues, and \$28,136 more than May 2019 Revenues.

Expenses for the month of May 2020 were \$70,815 compared to budgeted Expenses of \$143,967, \$73,152 under its budgeted Expenses and \$76,450 under May 2019 Expenses.

Revenues exceeded Expenses in the month of May 2020 by \$76,537, which is overbudget, representing a gain, by \$113,271.

Year to Date (YTD)

Revenues YTD were \$504,773 compared to budgeted Revenues of \$419,666, \$85,107 over budgeted Revenues, and \$57,381 more than May 2019 Revenues.

Expenses YTD were \$412,502 compared to budgeted Expenses of \$415,455, \$2,953 over budgeted Expenses and \$825 over May 2019 Expenses.

YTD Revenues exceeded YTD Expenses by \$92,271; however, which is over budget, representing a gain, by \$88,060 and \$56,556 over the comparable difference in May 2019.

Mr. Madeira noted during his presentation, that a number of expenses were paid in April 2020 which historically had been deferred to May and June for payment. This accounts to some degree for the lower Expenses reported in May 2020 against the budgeted Expenses and the Expenses incurred in May 2019.

Items to consider on the Balance Sheet include:

- a. Accounts receivable as of 05/31/2020 were \$18,615. This figure represents three months, March to May, of Revenue through the GolfNow program, previously unrecorded.
- b. The total balance owed in the Construction in Progress and the Interfund Loan Obligations have increased by \$37,885. All vendors on the irrigation pond project have been paid.

- c. The balance in the Accounts Payable (products/services received but not yet paid for) as of 05/31/2020 is \$15,837.
- d. Amounts due the Member's Club is \$14,135.
- e. The Due to General Fund shows the NGCA cash balance as of 05/31/2020 and is in the amount of \$19,417. This amount in the Asset's section reflects the NGCA's current positive position.
- f. The refund of \$6,000 to NFA as there was no Spring Golf was processed in June and will reduce the Due to/from (Cash) for that period.

Correspondence

No correspondence was received.

Restaurant Operations

Mr. Svab stated the Caddy Shack II lease is paid through the end of June with the receipt of a check on June 17, 2020.

COMMITTEE REPORTS

- **Chairman's Report**

Chairman Caulfield presented no report.

- **Alternate Water Conservation Project**

Mr. Mereen stated: "we are done," and reported that the results look great. On a personal note he stated he could not be happier with the outcome, succinctly giving his opinion of the functional and visual improvements made to the course by the project, although also reserving his personal view of the challenge it represents for golfers.

- **Clubhouse Committee**

No report.

- **Greens Committee**

No report.

- **Planning Committee**

No report.

- **Marketing Committee**

Mr. Podurgiel noted that the incentive program using lower season rates to encourage new members for the golf course and increase play for the 2020 season has been successful with at least 50 individuals joining through this program.

- **Beautification Committee**

No report.

- **Budget Committee**

No report.

- **Pro Shop/Restaurant Subcommittee**

Mr. Svab indicated the subcommittee had not met and he had nothing further to report.

- **Maintenance Department Subcommittee**

Mr. Malouf noted that the subcommittee had not met but he desired to report that the course is in great shape, the best he has seen, and extended kudo's to Mr. Kundahl and the maintenance crew.

- **Water Project Subcommittee**

No additional report was made.

- **Course Superintendent**

Mr. Kundahl indicated that he had no report to present.

- **Pro Manager's Report**

Mr. Svab, having presented information earlier in the meeting, had no report.

In response to questions from Mr. Podurgiel, Mr. Svab reported that the course continues doing well as to revenues through this point in June. He indicated that if the same rate of receipt of revenue continues, he anticipates the budgeted Revenue figures could be reached by mid-September.

In a response to a question from Mr. Whitty, Mr. Svab reported that there were a total of 53 individuals who had signed up for the 2020 incentive program.

- **Member's Club**

Mr. Lathrop reported that the club events have been successful with 120 players participating in the Old Course Tournament. He also noted that the Member Guest Tournament is coming up.

- **New Business**

Chairman Caulfield stated that for New Business the Authority was to consider, discuss, and possibly vote on maintenance equipment replacement by purchase or lease of new maintenance equipment and the financing thereof.

A motion to initiate discussion was made by Mr. DiBattista, seconded by Mr. Malouf, and approved unanimously.

Mr. Svab made a presentation with respect to the condition of items of equipment which in his opinion and the opinion of Mr. Kundahl and Mr. Paty, need immediate replacement. These were detailed on a list entitled "Equipment Replacement" which had been posted with the agenda.

The Authority had initially considered leasing these items of equipment but after discussion with the city's finance department he recommended purchasing the equipment rather than leasing it. Various payment schedules would be available in connection with a lease or purchase with annual payments to be made over a 5, 6, or 7-year period as decided by the Authority.

Having worked with the Finance Department he recommended the Authority opt to purchase the equipment and pay for the same over a 7-year period, estimating that this would save approximately \$32,000 in interest.

Under arrangements with a dealer, replacement equipment can be made available during the 2020 season, while under proposed financing arrangements payments will not commence until 2021. With the recommendation of the finance department he indicated that the city, subject to adoption of a bonding ordinance by the city council recommended the city bond \$410,000 to cover the cost of purchasing 11 pieces of equipment as listed on an untitled memo also posted with the agenda, the equipment to be delivered this summer. This figure would include the cost of the purchase and the fees associated with drafting the bond ordinance for submission to the council. This approach would give flexibility to the Authority with respect to the purchases, reduce the cost of interest, leasing versus purchase, by approximately \$32,000 over the 7-year period, and recognizes that some items of equipment, particularly those that are necessary but not utilized every day, have a life expectancy of more than 7 years and could be used for a longer period or retained as backup items.

Mr. Madeira indicated that he had made calculations using the \$410,000 figure with an anticipated interest rate of 2%. The cost to the Authority, principal and interest, over 7 years would be approximately \$445,000 with an average yearly payment of \$63,578. This figure would be higher in the first year due to the deferral of payment for approximately an additional 5 months as the Authority has typically made the annual payment on bonds in November.

Mr. Kundahl and Mr. Svab noted that the Authority would get some value by trading in items of equipment on the replacement list, but these were not useable for regular operations and the value represented their value for parts.

Mr. Svab, Mr. Kundahl and Mr. Madeira answered a number of questions in the discussion which followed.

Mr. Kundahl in response to a question from Mr. Malouf, indicated there was nothing on the list which represented useful equipment. In several cases the Authority had newer backup available although the backup equipment itself would not be available for day-to-day operation. In response to a question from Mr. Whitty he indicated that there will be adequate room in the maintenance building to properly store newly purchased equipment if the older items intended to be replaced are traded in or removed.

Mr. Svab and Mr. Kundahl noted that approximately \$10,000 has been spent this year on repairs and more items will need to be repaired unless replaced. Often these are unexpected repairs. With new equipment, repair costs will be reduced significantly for a period of time.

In response to a question from Mr. Mereen, Mr. Madeira noted that the city had funded \$50,000 in the city's capital budget to replace a grinder. Mr. Svab elaborated that there were 4 components of the grinder, 2 of which will be paid for out of the city's capital budget with this \$50,000 with the other parts to be purchased as new equipment.

Additional discussions took place as to the Authority's current obligations under this budget and its anticipated obligations in future budgets given the need to pay for the construction of the irrigation pond and for new equipment whether leased or purchased.

Mr. Malouf noted that the lighting improvement project has been paid off, the outstanding balance due on existing bond will be paid off this year, and that the Authority anticipates a significant savings on water use given the irrigation pond. Mr. Malouf stated that the pumps installed in connection with the pond are particularly efficient to operate which should limit any increase in electrical bills.

Mr. DiBattista inquired as to the need to issue the bond and delays that might be inherent in the process. Mr. Madeira responded that this was required as a

backup for the city for what is intended to be in interfund loan, an arm's length transaction, between the city and the Norwich Golf Course Authority.

Mr. DiBattista made a motion, seconded by Mr. Mereen, that the Authority purchase up to 11 items of replacement equipment as listed on the attachment provided with the agenda at a cost of up \$410,000, using an appropriation to be funded by the City of Norwich through a loan, subject to approval of a bond issue in the sum of \$410,000 by the Council of the City of Norwich, and that Chairman Caulfield, on behalf of the Norwich Golf Course Authority as its Chairman be authorized and directed to sign, execute, deliver, and receive, if satisfactory to him, all documents, obligations, and correspondence required on behalf of the Authority with the City of Norwich and with the vendor.

This motion was approved unanimously.

Adjournment

A motion to adjourn the meeting was made at 8:09 p.m. by Mr. DiBattista, seconded by Mr. Malouf, and approved unanimously.