

Members in attendance- Frank Battat, Stuart Keirle, John Honey, Ron Stolowitz, Jackie Gorton, H Terry Cush
Other attendees- Liz Collins, Marty Marks, Chris Horne, Herb Gottlieb, Art Wasserman

The meeting was called to order at 6 PM.

Motions-

1. Art Wasserman was nominated to join the FC. After a discussion, the motion was passed 5-1. The Board is asked to confirm his nomination.
2. H Terry Cush resigned his role as Chairman effective March 15, 2018. This was due to the Board's decision to place term limits of 3 years on Chairman, the same term as Board members serve. The Board is asked to accept his resignation.
3. Stuart Keirle was nominated to be the Chairman of the FC. After a brief discussion of his experience and qualifications a motion was made, seconded and a unanimous vote in favor was made. The Board is asked to confirm his appointment.

Discussion items-

1. The committee reviewed the financial performance for January. Net Ordinary Income was (\$3725) a negative variance to plan of (\$10250) and the Net Income after adjustments was (\$15336) a negative variance to plan of (\$17961). This is not the start to the year we had planned. The GM pointed out special factors in the Cafe, Initiation, and Payroll as the drivers of the performance. Every month's performance is important but we must keep in mind that the business needs to be reviewed and judged over a longer term basis. This is just the beginning of the picture for 2018. Most concerning to the members was the very low cash balances that the Club experiences at certain times during the month. Cash is well below any comfort levels and timing of incoming and outgoing cash during the month have resulted in the GM having to transfer monies from our Reserve bank account to our general Operating account and reverses the flow when cash flows into MTC. The GM was asked to inform the Board when such actions occur.
2. The members reviewed the packet of financial information to be distributed to the membership at the Annual General Meeting. Content is at a summary level and members can get far more detail in individual meetings with Club management or FC members after the AGM. The Chair will present the report to members at the AGM and answer questions.
3. The GM discussed his strategy toward establishing the Mandatory Capital Contribution which will be assessed on new members above and beyond the Initiation Fee. The GM would like to gather information on dues and initiation expenses from "competitor" clubs in our area. The Committee asked him to gather information and make recommendations for the amount of monies MTC should collect from new signups. The FC expects to have a motion recommending the strategy and dollar amount for the Board to consider at its March 2018 meeting.
4. The GM presented a high level overview of the Top Spin Grill proposal. In their packets, the members received the information that was presented to the Board. At this time the Board is considering a consultancy contract to develop a complete business plan for the MTC food and beverage operation. The FC is waiting to review the financial aspects of the business, both startup and ongoing revenue/expense forecasts.
5. Board chair Marty Marks spoke of his views of the strategic direction of MTC and how the FC and the Board should work together.
6. GM Chris Horne reminded us all about the need for information security. All board and committee members are made aware of current and proposed developments around the Club. Information should not be shared outside the groups until the Board deems it appropriate.

My final thought-

I remain concerned about the lack of liquidity (cash in the bank) at MTC. The Club has recovered and is now basically full. In the second half of 2017, we have collected initiation fees and dues at an above plan (2017) rate and are starting 2018 with the GM dealing with a very small Operating Cash account at Bank of Marin. The GM labeled 2018 as the year to build up our cash reserves and produced a budget that delivered a nice cash balance in Dec 2018. Two necessary projects are in development. First, the new business model for the Cafe. We need it! But the start up expense must be funded and headcount to run the Grill must be identified and hired. How many and at what cost in the first part of 2018? The Grill requires an upfront investment (I know the GM has a plan for this.) and my thoughts are that the business will be a cash user before it becomes a cash contributor.

The second and larger project is the implementation of the recommendations from the Architectural Review. My feeling is that larger expenditures will not happen until late 2018 or 2019. Ideas to actions take time! As we discuss the funding of the structural changes, our then current financial picture will need to be healthy. I feel we will need significant balances in our operating, reserve and capital accounts to show lenders as well as to use in self funding items as we have done in the last few years. I have my concerns and we have our challenges BUT- We ARE the best tennis club in Marin! During 2018 and 2019 with the delivery of the two projects, we will be the best tennis club in NORTHERN CALIFORNIA!

The next meeting will be Tuesday, March 27th at 6 PM.

The meeting was adjourned at 7:30 PM.

Respectfully submitted,

H Terry Cush

Chair