

SANDY PINES WILDERNESS TRAILS, INC
BOARD OF DIRECTORS MEETING
December 17, 2019
3:30 p.m. – Administration Conference Room

CALL TO ORDER: Ellen Carpenter called the meeting to order at 3:45pm.

INVOCATION: Ginny Hager

PLEDGE OF ALLEGIANCE

MEMBER COMMENTS: None

ROLL CALL: Ellen Carpenter, Brian Elling, Ginny Hager, Jim Huck, Kelly Johnson, Chad Ostrom, Paul Peppel. Seven of Nine Present.

Absent: Rick Day, Dennis King

Staff Present: Jeff Sweitzer, President and Kimberly Williams, CFO

APPROVAL OF MINUTES: Motion by Huck to approve the September 20, 2019 Board of Directors meeting minutes with support from Hager. All Ayes. **Motion Carried.**

NEW MEMBERS: Information for new park members and break-out of working vs. retired employees will be provided at a later time. Motion by Peppel with support from Ostrom to approve new Park Member applications. All Ayes. **Motion carried.**

EXECUTIVE / PERSONNEL:

VICE-CHAIRMAN COMMENTS: Carpenter provided acknowledgement and appreciation to the Finance Committee for their service in their dedication to the review of financial matters relating to the park.

PARK PRESIDENT: Sweitzer provided an update on the operational structure within the park and review of the staff where there are present gaps in operations. Sweitzer introduced Jamie Bogema, who comes to Sandy Pines with 20+ years of experience in Human Resources, who will fulfill the role of the new HR Associate and also fill in any recreational needs where able. Sweitzer also expressed a current gap in operations with the recent passing of Kelli Blackman, our Camping and Guest Services Manager. The current Executive Assistant, Kathy Brott, has offered to fill the gap as we restructure the Camping responsibilities and position. Kathy will still serve as the Executive Assistant to the Park President and also support the role of camping; handling reservations and accommodations as received by the park.

Sweitzer followed with an update on the off-season Strategic Planning event that was held in the Administration Conference Room with the management team. Through this procedure the team focused on new ways to accomplish things to fulfill the mission of the park. The team led this process by identifying our strengths (59), weaknesses (49), opportunities and threats(46).

The top strengths of the organization were identified as the park's financial stability, strength of staff, park amenities, recreational activities, safety and security within the park and the relationship with the Board and the park's members. The top weaknesses of the organization were identified as cross training of staff, recreation execution, scheduling and planning, limited policies and procedures of the park through an Operational Manual, and outdated systems and technology. These identified weaknesses were turned into opportunities. The top threats of the park were identified as the park being over developed, overpopulated sites, outdated systems and technologies, lake erosion, and the ability to make changes in a timely matter.

The analysis of the Strategic Planning event was provided to the Board of Directors and shared that the management team has and will be using these identifying factors to set their goals and objectives for each of the manager's individual departments to be monitored on a monthly/quarterly basis.

The management team also generated an open projects list with 25 listed projects. Not all will be developed this year, however the administration is in the process of identifying the priorities based on the need of each project along with the financial feasibility, whether or not they are provided for in the budget or through potential grant applications.

Sweitzer also provided an update on the current challenges of the Sales Department in the need for prospective members interest in buying into the park, but having difficulty with financing options. Administration has been reaching out to financial institutions to see what options the park may have as the difficulty members are faced with is that there is no collateral with property attached to the loans and therefore no property ownership, but rather the purchase of a membership. The park is looking at using a lending institution with SPWT sharing the risk with funding set aside up front for the possible default on a loan or setting up its own lending department. Sweitzer provided an update with the Security Team and their continued pursuit of application and approval of PA330 status. Director Garvelink continues to focus on the necessary trainings of staff within Security for PA330 compliance. The park also had a review of the current security office and determined there are gaps in the current structure and had an architectural rendering of a new PA330 building to fulfill the needs necessary. In order to obtain this, financing will need to be determined and there is a possibility to apply for another storm shelter grant that could be used for that dual purpose. Last, Sweitzer provided the update of the current 50th Anniversary planning of events for the 2021 season.

STANDING COMMITTEE REPORTS:

***Finance:** Financial Statements reviewed for approval included August and September 2019(FYE) for both Sandy Pines Wilderness Trails and Lake Monterey Golf Course, as well as the October 2019 financial statements for both SPWT and LMGC in the new fiscal year. All financial statements and check registers were provided to the Finance Committee members and Board of Directors prior to the meeting for a full review. Hager acknowledged and thanked the Finance Committee for their attendance and time to review. Williams provided a brief summary review of the Financial Statements as follows:

SPWT Aug and Sept 2019 F/S Review: FYE2019 ending with an increase to cash of 26%, Schwab Investments are up 8%, and Member A/R is down 23% (which provides an offset to the cash increase. The Condo Association receivable has cleared as the project has come to a completion, the remaining \$75k Sp Golf Course A/R was paid off, leaving the \$705,825 for the Phase 6 Golf Course Accounts Receivable. Current Liabilities are up less than 1% and overall FYE2019 has a net loss of \$47k. Williams reminded the Board and Finance Committee that SPWT is a Not-for-Profit organization with an intent to not make a profit and rather minimize any tax obligations by ending close to a break even at the end of the year. Williams also provided a footnote regarding the implication of a Consumers invoice received at the end of the calendar year 2018 and was recorded in the FY2019 Internal F/S rather than the FY2018 F/S. The offset of this expense would have rather placed SPWT just over the breakeven with a low Net Income margin.

Motion by Elling, supported by Hager, to approve the August and September 2019 Financial Statements for SPWT. All Ayes. **Motion carried.**

LMGC Aug and Sept 2019 F/S Review: FYE2019 ending with a decrease in cash and cash equivalents of 35%, specifically related to paying the \$75k Note Payable-SP. Capital Reserve Cash is up 58% with funds set aside for future projects. Total Current Liabilities are down \$55k. The Note Payable-SP of \$75k is paid off, leaving the Note Payable-Phase Six for \$705,825. Total Net Income is down 10% from prior year and 79.6% over budget. Weekend Green Fees are up 56%, Power Carts are up 17% and 53% over budget. Food Sales are down 14%, while Beer/Wine and Merchandise Sales are down 1% from prior year. Operating Income is down 9% and .6% lower than budget.

Motion by Huck, supported by Elling, to approve the August and September 2019 Financial Statements for LMGC. All Ayes. **Motion carried.**

SPWT October 2019 F/S Review: FY2020 started with minimal activity. Cash and cash equivalents is up 14.5%, with Member A/R down by \$325k, which accounts for members timely payments on dues and assessments. Building Assets are up almost \$300k related to major construction completed in FY2019. Current Liabilities are down \$111k and Current Net Income is up 6.8% over prior year. Sales and Hospitality is up 30% from prior year, specifically related to camping reservations being made for site rentals, and seasonal sites being booked early than prior year. Recreational gross income is up 74% with a net income increase of 32% related to the successful Fall Fest event held in October 2019. The Retail Center is down due to a loss of

income with limited gas pump services being available to the membership. Delayed Charter billings reclassified into FY2019 also had an effect on the overall Net Income for October 2019.

Motion by Hager, supported by Elling, to approve the October 2019 Financial Statements for SPWT. All Ayes.
Motion carried.

LMGC October 2019 F/S Review: FY2020 began with Cash and Cash Equivalents being down by 30% with Building Assets up 5% and Land Improvements up 51% related to the installation of the new well. Current Liabilities is down 63% related to an offset of timing on Accounts Payable. LMGCC ended October 2019 with a Net Loss increase of 31.4% due to minimal revenue being received in the off-season and additional expenses related to Repairs and Maintenance to the Golf Course being done during this off-season.

Motion by Huck, supported by Hager, to approve the October 2019 Financial Statements for LMGCC. All Ayes.
Motion carried.

OLD BUSINESS:

Resolution to authorize certain officials of Lake Monterey Golf Course, LLC. Resolution No. 121719:

“Carpenter proposed the resolution to authorize certain officials of Sandy Pines Wilderness Trails, Inc. to sign checks, certificate of deposits and other evidence of investments, for Lake Monterey Golf Course, to authorize at least two signatures on certain banking documents. Be it Resolved, the Board of Directors of Sandy Pines Wilderness Trails, Inc. does hereby authorize the following named individuals to sign checks, certificates of deposits and other evidence of investments or transactions for Lake Monterey Golf Course, LLC effective September 20, 2019. **Motion** by Elling, supported by Huck to authorize Jeff Sweitzer, Park President and Kimberly Williams, Chief Financial Officer as authorized signers for Lake Monterey Golf Course, LLC. All Ayes. **Motion carried.**

Discussion and Approval for Closing Work Planning Sessions to Member

This change will provide a more relaxed atmosphere and environment for open discussion to prevent items of discussion from being misconstrued and posted to social media. Continued open discussion given to the Board Members to provide the opportunity to brainstorm. The new structure will allow the agenda to be sent the Tuesday before the regular scheduled Board Meeting for review. The email for Board contact was shared as boardofdirectors@sandypines.com. The Board will still provide open discussion/comments at the open board meetings. **Motion** by Pepple, supported by Hager for the decision of approval to be tabled again and take place at the next regularly scheduled Board meeting. All Ayes. **Motion carried.**

New Business –none

Member Comments:

- Concern of members passing cards to others outside of the park. Board responded the Public Safety Office is trying to keep up with monitoring this and watching activity at the gates even if from a distance and on the cameras. The time is recorded with the time of swipe and individual and followed up on. This is a continuing issue that the Public Safety Office continues to address.

Meeting Adjournment: with a motion from Huck and approval from Elling at 4:32 pm.

Next Board Meeting: TBD, expected in March 2020.

Respectfully Submitted, Jim Huck