

**OGDEN GOLF AND COUNTRY CLUB**  
**MINUTES OF BOARD OF DIRECTOR'S MEETING**

**January 24, 2023**

A regular meeting of the Board of Director's of the Ogden Golf and Country Club was held at  
5:30 p.m. Wednesday, January 24, 2023 at the Club.

The following were present:

CONDUCTING: President, CARTER RANDALL

PRESENT: Vice President, CORY NIELSON  
Treasurer, CHRIS DURRANT  
Past President, DON SALAZAR

DIRECTORS: CATHY BULLARD via phone  
JOHN REDD via phone  
FRANK REDD via phone  
JOHN OLIVER  
TRISH CANNIZZO  
CASEY BISHOFF  
JEFF DUKE  
DAN BUCKWAY  
CASEY SCOTT

ALSO PRESENT: Club Manager, ZAVEN YARALIAN  
Superintendent, GREG GILMORE  
Head Golf Pro, BOB WALLIS

EXCUSED:

President Carter Randall presided and Katherine Patten recorded the minutes.

**APPROVAL OF THE MINUTES:**

**Upon motion duly made, seconded and unanimously adopted,** the minutes of the December 13, 2023 meeting were adopted without opposition through e-mail voting.

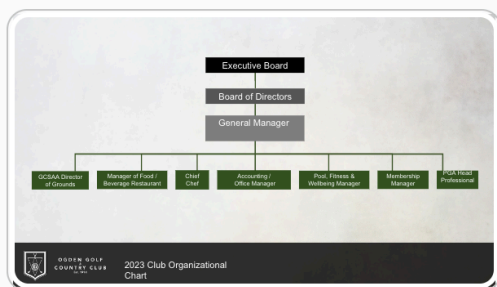
**Rob Moore Presentation/ Organizational Chart-**

Mr. Durrant introduced Rob Moore. Rob has spent a lot of time making the club a better place. Rob has a successful business making 3 billion in revenue and credits Big D's mission statements, values, and organization. He turns the time over to Mr. Moore. Mr. Rob Moore asks if we have a mission or a vision with core values that we can reflect on as a board. We (the club) need to be solidified with a mission and vision as a company. Big D has 17 offices and is the most sought after business. Our values are important to us as we acquire companies. We need to make business decisions while reflecting on the core values. Think about where we want to be in 10 or 15 years. How are we organized as a company? What are your roles and responsibilities as a board member? What are lines or authority here at the club? Are we overstepping in our role? Since 2014 the country club has been managed differently by each board with different personalities. In 2024 can we reset the future as a group. It's about the club. We need an organizational chart that will stay the same if the board agrees to it. I'm here to throw out ideas and you can choose what you want to do. Looking at this organizational chart, do we have lines of authority? See Exhibit 1. We have a general manager that we hired to do a job. Lines of authority are important. We are replacing the new general manager position with the best of the best and we will let him do his job. The bylaws say the board members role is to implement the policies of the club. Notice it doesn't say manage the department heads. If policies don't apply anymore, we need to fix them. How do the managers know what to enforce and what not to if the policies are not there to see. The key thing in my mind is to have clear lines of authority. A board member can't direct an estimator what to do. We do not want to undermine the authority of the staff. How many times at the board level have we directed staff to do it a certain way. If members want to tell the cart attendants how to do something, then you need to change the bylaws. The board members can't overstep the line of authority to undermine the staff. The committees need to be managed by the general manager, superintendent, or the head golf pro. Then, Greg, Zaven, or Bob handles it and the board of directors have zero business to manage day to day operations of the club, that's the managers job. Then we have a functional organization to take this club into the future. If you want a functional organization then you need to embrace this in my option. Mr. Salazar says you brought up the fact of someone who leapfrogs into the wrong lane. If you bypass the line of authority, do you have a formalized process if someone does cross the line? Mr. Moore says, you just have to talk about this at every meeting, so that the rules are clear and there is absolute clarity at a board level. It has to start with you guys and if you don't embrace this, it will fail. Mr. Nielson says we have regular members coming to board members to complain, how would you handle that. Mr. Moore says to say, "would you get with Zaven and talk this matter over. If you undermine your manager, everything gets dysfunctional. You need to make Zaven a part of every committee so he can hold accountability. And if he is unable to make every meeting, have Bob or Greg fill in and give the GM an update. Mr. Randall says, if you run that level of accountability, the GM needs to be involved in each committee. Mr. Yalian says this is the way most clubs are run. If you break it, it doesn't work. You have to be disciplined and do right by the club. Ms. Cannizzo asks how do we get the members to adopt this. Mr. Duke says we need to decide and implement it so that everyone understands. For example, if someone has an issue with the carts, say I understand your concern, we are going to talk to Bob about this and get this resolved. If they can't solve the

problem, it goes to the General Manager. Follow the chain of command. Mr. Moore says to think about communicating this to the members differently than we have in the past. Mr. Oliver says we have lines of authority here, bring it to the department head and follow the chain of command.

Mr. Moore shows the top 5 competitors to the OGCC. See Exhibit 1. At The Barn you can play for \$45 and enjoy food and a beer. When we have new members come to the club, do we have value? We have something the other golf courses don't offer. This is a private equity golf club. How do we stack up with the other country clubs? Mr. Moore says at Entrada, they always say it's so good to see you again. The service level needs to aspire to service. Here at the OGCC, we can get on the golf course and we don't have to wait to get meals. Think of the difference between a golf course and a country club. Mr. Moore says you have an opportunity to change the structure and service of the club. The board thanks Rob for his presentation.

Exhibit 1



1

### Board of Directors Roles and Responsibilities – Bylaws

The Board shall assume responsibility for implementing the policies, procedures and rules and regulations of the Club on behalf of its members.

**2. Power and Duties**

- Elect the officers of the Board
- Appoint committees and assign duties
- Fill vacancies on the Board until the next Annual Meeting, at which time the vacancy shall be filled for remainder of the original term by election.
- Employ or contract persons with management responsibilities. Review and delegate such responsibilities as is necessary and include the criteria for the evaluation of performance. Implement specific procedures for the employment or contracting of all employees.
- Assume responsibility for the development and publication of the Club rules, and regulations governing the use of the Club as needed.
- Establish the amount of the annual dues, fees and other charges;
- Remove and replace any Director for cause, at the determination of the Board.

2

### Respect the Direct Lines of Authority

- No Board Member has the responsibility or authority to direct a manager's employee.
- No Board Member has the responsibility or authority to direct a manager's employees.
- The Board's responsibility is to create, review and approve policy, as stated in the bylaws.
- The Board is then responsible to direct the General Manager to manage the club per approved policy or policies.

3

### 100% Board Buy-In

- It is critical to the success of the club, that the board supports the organizational structure.
- They respect the direct lines of authority from the board to the General Manager
- They allow the General Manager to manage all aspects of the club
- They allow the management teams to work as a team without direct direction from any member of the board
- They direct the General Manager on the policies which must be implemented and enforced.
- It is imperative as a board to discuss the policies and issues facing the club. Then come out of board meetings with unity.

*At all costs, the managers should never, ever, have the ability to go directly to the board members and play the "Mom and Dad" game.*

4

### TOP 5 COMPETITORS

Golf Clubs vs Private Country Clubs

- The Barn Golf Course
- Riverside Golf Course
- Valley View Golf Course
- Davis County Golf Course.
- Eagle Mountain.
- Mt. Ogden
- El Monte

• It costs \$650.00 to play three times a week per month. Are we a math decision to join OGCC?  
• Each course has food, beer, places to gather.

5

### Private Country Club Competitors

- Private Country Club we should aspire to emulate:
  - Oakridge
  - Willow Creek
  - Hillside Valley
  - Riverside
  - Park Meadows
  - Alpine Country Club
- How to we stack up?
  - Facilities
  - Golf Course
  - Service
  - Atmosphere
  - Amenities
  - Accessibility to the course and dining.

6

**Budget-**

**Zaven- General Budget without Grounds and Pro shop**

Mr. Yaralian starts with membership. We left out dues in the budget, until we know what they are going to be. The budget will increase by 3% or 5%. This is based on last year's numbers.

Initiation fees we have no idea what this is going to be. There are no memberships available right now, we will leave that alone until we figure that out. Mr. Nielsen says we don't keep everything we get in from initiation fees, we have to pay out a portion. Mr. Yaralian says we paid \$260,000 to members last year. The numbers don't reflect what they are right now. We will make money, but we don't know what it will be. Dues will increase. If we raise dues by 3%, it will be a \$79,000 increase in dues and \$100,000 for a 5% increase. For Food and Beverage final financials for 2023 we are positive \$30,000. In 2022 the cost of sales were close to 1.2 million gross. And in 2023 cost of sales were 1.4 million gross. If we don't keep an eye on this P&L the costs of everything, it's the easiest place to lose track of. Keep an eye on it for the next GM. Mr. Salazar says never have we made money, congratulations to Zaven, Matt, and the team. Mr. Yaralian says hiring a good team makes a difference. The prices haven't changed for goods. Mr. Duke says there is a loss of 37,000, what is the discrepancy? Mr. Yaralian has 2024 going up by a \$40,600 profit. Labor will go up and COGS will go up by 3-5%. The tournaments give us a lot of revenue. If we cut back, there's a loss for that. COGS prices will go up and affect the budget. If beef prices go up, it's because of the costs like that are hitting us. Matt is doing a good job at keeping the numbers tight. We are on pace to improve next year. We need someone who knows the costs and manages them correctly. Mr. Duke is curious from last year to this year where the shrinkage is with that much revenue. Mr. Duke says there needs to be incentive for how well the managers cover their budget. Mr. Yaralian says it's attention to details. We have good people with Matt, Alexa, Hannah, April, and Karen.

#### GREG- Grounds Budget

Refer to Exhibit 2. Mr. Gilmore says the grounds budget assumptions are based on last year's actuals. There's an increase in the annual income from Weber State by 3% of compounded interest. We will collect \$25,000 per year. We have a 3% increase in labor for returning employees. There is an hourly spreadsheet for \$16 per hour of what job they are doing. The range is on the grounds spreadsheet as well. This budget includes an increase for Jeff and our irrigation tech. We maintain 1,600 irrigation heads on the golf course. Our irrigation tech is expected to get a 3% raise. We have a good mechanic who adjusts and sharpens mowers who has been here for 4-5 years and we are paying him \$24 per hour which is a good deal. There is an increase to hand water, for bunkers, edging, raking, etc to maintain the golf course at a high level. Payroll taxes will increase because the labor increases. Shop supplies are about \$5,000 per year for hoses, nozzles, etc. I budgeted fuel at \$3.20 per gallon. 11,000 gallons of fuel is what we use per year. The board can change the price based on what we think. Chemicals and fertilizer sometimes get booked to the wrong account. Mr. Gilmore budgeted 2023 prices for the chemicals and fertilizer until we know the actual price. We have two pallets of seed. And we are buying 3 additional pallets. There will be a huge improvement on the fairways. Sand will increase by \$21,000. There are several reasons for using the better sand. Sand is scrutinized greatly by the grounds. There are a lot of different types for quartz silica and that's what everyone is using. It's \$30 per cubic feet, that's why the cost went up. The green divot mix is expensive. It's 4x more expensive than what we've used in the past.

There is a small increase in uniforms. We need some debris removal, because South Ogden City says you can't push it out anymore and a bid is \$5,500 to remove it. We don't have anywhere else to dump it. Irrigation water came in at \$108,000 for 2023 and it was a lot more than what we thought. I budgeted \$114,000 for this year. The grounds committee decided to contract away and do the mulching, flowers, boxwoods for \$200 a month. Ground special projects went down because we are doing a deep type of aerification in April. Our labor was low in the winter months and high with this project. It will cost \$11,000 for a deep time fairway aerification. Irrigation power went up because we had a shorter year with the snow. Ground's benefits are going up because of the new assistant. We are about \$500 per acre less in costs than Oakridge.

Exhibit 2

## 2024 Grounds Budget Assumptions

### 1. Payroll

- Increases include 3% COL for returning employees and staffing adjustments specified below.
  - \$16 average wage for Golf Course maintenance workers and \$13 average wage for range picking used on monthly hrs. everyday job spreadsheet provided.
  - Increase of + **56,000** for "new" 2<sup>nd</sup> Assistant /Spray Applicator. • Increase for Jeff, 1<sup>st</sup> Asst to \$58,500 from \$56,280 + **\$2,220**. • Current 2<sup>nd</sup> Asst position reorganized to Irrigation Tech \$20.25/hr. (hourly position) + **\$1,560**. 2<sup>nd</sup> Asst current salary \$40,800 or \$19.61/hr.
  - Increase mechanic pay from \$22.50 to \$24.00/hr. + **\$3,120**. • Increase for Bunkers, hand watering, and returning employees COLA + **\$23,819**.
  - Increase payroll taxes + **\$11,322**.
  - Total increase in payroll and taxes + **98,041**.
  - Still incur ½ Salary for Clubhouse Maintenance. Cost \$31,000 • Still incur labor for Driving Range picking. Cost \$28,410
2. Supplies Shop + **\$1,603** hand watering/bunker maintenance supplies. 3. Supplies Fuel – Budgeted at \$3.20 gal average, 11,000 gallons. 4. Supplies Chemicals - Budget 2023 levels until pricing arrives. 5. Supplies Fertilizer - Budget 2023 levels until pricing arrives. 6. Supplies Seed + **\$27,716** Increase for fall slit overseed 4lbs/m two directions. 7. Supplies Sand + **\$21,462** (\$8,500 silica sand for

topdressing program, \$8,000 Green divot mix, \$5,000 bunker replacement sand).

8. Uniforms – Small increase for higher quality uniforms.

9. Debris removal (new account) + \$6,000 yearly clear maintenance yard. 10. Irrigation Water + 5,699 5% assumed increase.

11. Landscape + \$6,465 for clubhouse grounds and flower box contract. 12. Grounds Special projects – Spring Greens Aeration and Fall Fwy aeration. 13. Irrigation Power + \$3,742 for expected normal seasonal weather.

14. Grounds HSA/Insurance + \$4,314 Increase for new 2<sup>nd</sup> Asst. Insurance 15. Range Supplies + \$8,987 Increase for 2<sup>nd</sup> ball shipment (only 1 shipment 2023 due to left over 2022 inventory).

**\$187,524**

**Removed \$30,000 for Tree Maintenance, will review in October/November**

Mr. Wallis- Pro Shop Budget

Mr. Wallis says cart fees and green fees actuals last year were \$104,000 and \$254,000. We went up in revenue for this year by \$98,000 because this last year was a nightmare. We did a weighted average based on the new fees. This is doable with the 12 outside events. Loss on the shop from 2024 is \$36,000. There is an increase in expense for the golf cart lease by \$32,000. The new golf carts include the two modules starting in March. In 2023 the pro shop lost \$80,000 and this year we are projected to lose \$36,000. That's guest fees against our hard costs. Our other income goes to the house. Mr. Duke says we need to be more organized on guest fees and enforce the check in policy. We need better structure. Mr. Wallis says he would be happy to go over any numbers or go over questions pertaining to his budget.

Mr. Gilmore and Mr. Wallis are excused.

### **Financials/ Budget/ Dues Increase-**

Mr. Oliver asks where we can save some money. How are we cutting costs and keeping our product better? Mr. Nielsen says we need to incentivize our department heads. He continues, Zaven has spent a lot of time on F&B so we need hands in the details. In 2023 we came in at 26% net income, but if we back out ERC credits and PPP loans we lost \$248,000 and lived off non-expected revenue. The departments will update on a quarterly basis. As the budget stands today, we will lose \$308,000 which is more than last year due to all the increases. So we have some decisions. We can up the assessment if there is a windfall. A 3% increase in dues is a good start. As we go through, we need to wait and see what the numbers will be. At the bottom grounds and pro shop in 2021 ran at a loss. The loss is continuing to go up. There is an opportunity to discuss labor. On the grounds in 2021 we had a \$1.4 million loss, which included expenses from the windstorm. Backing out windstorm expenses results in a \$1.1 million loss for 2021. The total year-over-year increase to grounds expense is roughly \$50,000

in 2022, \$40,000 in 2023, and \$100,000 in 2024. There are good reasons for increases. At the club from an overall standpoint, the revenue will not cover. Mr. Durrant says if we had an incremental increase starting in 2021, dues would be increased by \$60, but here we are 3 years later and inflation is at 15%. Mr. Durrant suggests a \$40 raise across the board. Mr. Randall brings up the fact that some members will pay more and some members won't pay very much if you do it by a percentage. Junior members and lifetime members pay less. In a perfect world the dues increase would be 6% to 15% for members based on the membership type. If we raised dues by \$20 across the board, it would increase yearly dues by \$112,320. Mr. Nielson likes \$20, so junior members are paying a bigger amount. Mr. Nielsen says the bylaws don't allow for operations to not be covered. This year we won't get ERC credits or assessments or high initiation fees. Mr. Buckway says if we increased the membership to 400 equity members, we would get the full initiation fee, because the club would be selling those memberships. It's all speculation, until we see the actual numbers at the end of the year. Mr. Nielson says at the midpoint of the year we will get a better idea of where we stand. We shouldn't rely on initiation fees for the shortfall, that should be going towards improvements. Ms. Cannizzo likes the flat rate. Mr. Duke suggests 12% or a flat rate whichever is greater. Dues increase is tabled.

Mr. Oliver says a 3% raise shouldn't be automatic for employees. Mr. Frank Redd says you can't control wages, you need to pay at least 3% to retain employees. It will cost more to replace that employee. Mr. Nielson says we decide the 3% raise is based on merit. Mr. Duke says if it is managed well, they should get a raise. Mr. Randalls says there are things in the budget that are out of their control as the manager, but if they can find ways to save in different areas, that shows. Mr. Yaralian says some employees deserve it and some don't. Department heads need to decide who gets the raise and who doesn't. Mr. Nielson says are we ok with the budget we had presented? Mr. Nielson mentioned that Greg has done a tremendous job on each line of what he presented. Are we paying too much in the pro shop or the grounds crew? Is the board dictated of what people should make. Mr. Randall says department heads need to disperse as per performance. Mr. Nielson says a 3% labor increase isn't a budget breaker. Mr. Scott thinks a 3% increase for returners.

**Upon motion duly made, seconded and unanimously adopted,** to move forward with the budget presented. Department heads will increase by 3% where they see fit.

**Upon motion duly made, seconded and unanimously adopted,** to increase the grounds budget by \$178,524.

## **Membership**

Ms. Bullard brought up Chuck Smith's membership. The board says to offer him \$6,000 to see if he wants out or wait for it to sell. Ms. Bullard says Chuck Smith will probably wait to see if he can sell it in the next 6 months.

**The following memberships were submitted for consideration:**

Matt Johns - Full Equity

John Cahoon- Full Equity

Rhett Weaver - Full Equity

Shane Cullimore- Full Equity

**The above memberships were unanimously approved by secret ballot.**

### **Vision Statement**

Mr. Durrant collected all the votes and the mission statement was clear and the vision was closer. This is what we decided on. See Exhibit 3. We are all aligned with the core values. Our objective is to vote on this tonight. If everyone is ok, we will vote to implement.

Exhibit 3



**OGDEN GOLF  
&  
COUNTRY CLUB**  
Est. 1914

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#### **Mission Statement:**

**At The Ogden Golf and Country Club, our mission is to offer an unmatched private country club environment for premier golf and recreational opportunities combined with exceptional dining and social opportunities for our members and guests.**

#### **Vision:**

**Provide an outstanding private club experience where the enjoyment of our members and guests is our highest priority.**

#### **Core Values:**

1. Respect: To treat everyone with dignity and respect. (11 votes)
2. Integrity: We conduct ourselves with honesty, transparency, and ethical behavior in all interactions, maintaining the trust and respect of our members, employees, and the community. (11 votes)
3. Responsibility: To be fiscally responsible and allocate membership dues without waste. (10 votes)
4. Service: To provide the best possible service throughout the facility. (9 votes)
5. Excellence: Top tier experience for golf, service, events, food, and activities. (8 votes)
6. Accountability: Ownership and accountability from Club management to staff and members. (8 votes)
7. Communication: Transparent and open communication at all levels of the Club. (7 votes)



**Upon motion duly made, seconded and unanimously adopted,** to adopt core values and mission statement.

Mr. Duke would like to revisit some of it and reword it a little bit and tidy it up from a language standpoint.

#### **GM replacement-**

Mr. Randall says Mr. Durrant is on Indeed and linked in and had some interviews lined up to narrow it down. Once the list is narrowed the board will interview. Mr. Durrant plans to get 5-6 candidates and forward them into Mr. Randall and talk about the culture and if that goes well we interview the top 3 candidates.

**Upon motion duly made, seconded and unanimously adopted,** to compensate Chris Durrant for his time on this project his dues will be complimentary for 6 months.

#### **Zaven-**

Mr. Yaralian says as I sit on the executive team I've learned something everywhere I go. Mr. Yaralian enjoys everyone on the board and he has an opportunity to be CEO of a high end resort in the caribbean. I've enjoyed it here and we have made positive changes in the service area and kitchen. I left the club in a better place. The board thanks Zaven for his time here. In Zaven's absence the hope is to replace him before he leaves. Zaven announced his resignation to the staff and members.

#### **Annual Meeting-**

The message will be about the positive changes made by the board.

There being no further business, the meeting was adjourned at 8:28 p.m. APPROVED BY:

DATE: \_\_\_\_\_