

Moraga Country Club Homeowners' Association
A California Corporation
DRAFT MINUTES

I. CALL TO ORDER

The Regular Meeting of the Moraga Country Club Board of Directors convened on Thursday, November 17, 2022. The meeting took place in the Lounge at 1600 St. Andrews Drive, Moraga, CA 94556. President Willcoxon called the meeting to order at 5:01 PM. Attendance was as follows:

BOARD MEMBERS PRESENT:

Bret Brodowy, Vice President
Jason Crain
Maureen Freeman
Gordon Lewis, Treasurer
Gary O'Neill
Matt Rei
Bernie Smit
Tony Tarrab
Anne Willcoxon, President

BOARD MEMBERS ABSENT:

Ginger Bagai
Tamara Bryan
Paul Crinks

STAFF PRESENT:

Eric Jacobsen, General Manager/COO
Christina French, CAMEX, CCAM-LS, CMCA, CAFM, HOA Manager
Teresa Belfanti, Director of Finance

II. MINUTE APPROVAL – Regular Board Meeting

RESOLVED, to approve the minutes of the Board of Directors Regular Meeting on October 20, 2022.
Resolution 22-65 (Passed Unanimously)

RESOLVED, to approve the minutes of the Board of Directors Special Meeting on November 2, 2022.
Resolution 22-66 (Passed Unanimously)

The Board of Directors held an Executive Session Meeting where minutes were taken on November 17, 2022, and topics discussed included delinquent member accounts, legal matters, contract matters and personnel matters.

III. OPEN FORUM – President Willcoxon invited members in attendance to address the Board on any topics not included on the agenda. Members addressed the Board with questions relating to the proposed 2023 Budget, a proper sound system for meetings in the Lounge, Open Forum process during the Meetings as well as a thank you to the Board of Directors for their dedication to the Association.

IV. COMMITTEE REPORTS

Reports and updates were provided by Committee Liaisons. Committee minutes are available on the website under the Board and Committees section. Additional updates were provided from the Ad Hoc Rec Facility Construction Committee on the location of the new bioswales and general progress update as well as updates from the recent NEB Meeting.

Committees that did not meet included Architectural.

V. FINANCIAL REPORT

A. Treasurer's Report

Treasurer, Gordon Lewis, reported the following:

Fund Balances as of 10/31/2022	
Operating Fund	\$1,492,279
Capital Replacement Fund - HOA	\$1,536,881
Capital Replacement Fund - Rec	\$1,029,559
Development Fund	(\$162,153)
Recreation Area Fund	<u>\$2,187,113</u>
Total Funds	\$6,083,679
Delinquencies-- in the amount of \$31,892	
No Liens at this time.	

B. Monthly Financial Statements

Treasurer, Gordon Lewis confirmed the review & approval of the monthly financial statements for October 2022, by the Budget & Finance Committee along with the monthly review of the financial statements by the Board of Directors.

VI. MANAGEMENT REPORT

Eric Jacobsen, General Manager, reported on the general operations as provided in the Board materials. Additional highlights and reporting on past events from October including a record attendance on the Kids Halloween Party as well as excitement for the upcoming Member Holiday Member Events. High levels of interest continuing for prospective members with daily inquires as well as continued additions to the current waitlists. Homeowner work order reports from UpKeep were also provided. A staff update and membership sales report was provided. Lastly, reports were provided for F&B comparisons on volume of usage between To-Go and A La Carte covers as well as Golf Rounds and Capital Improvement updates.

VII. NEW BUSINESS

A. 2023 Budget – Operations, Capital Replacement Recreation, Capital Replacement HOA, Development, Recreation

Treasurer, Gordon Lewis and General Manager, Eric Jacobsen presented the final draft of the 2023 Budget for Operations including assumptions and dues changes, Capital Replacement Recreation, Capital Replacement HOA, Development and Recreation, see Exhibit A. Discussions took place on the proposed 2023 Budget.

WHEREAS the Bylaws require Board approval of the annual budget, and

WHEREAS the Association Office will distribute the budget within 30-90 days prior to the fiscal year,

BE IT RESOLVED that the Board of Directors approved the 2023 Budget as submitted for Operations including dues changes, Capital Replacement Recreation, Capital Replacement HOA, Capital Development and Recreation as presented and discussed with the Board of Directors.

Resolution 22-67 (8 approved, 1 opposed)

B. Governing Documents Modernization Ballot Counting and Results

President, Anne Willcoxon presented the results of the Governing Documents Modernization Vote as tabulated by the Inspector of Election Pat Brown. The Governing Documents Modernization passed with 405 Ballots received and 4 disqualified which included 355 Owner Members voted yes for the CCRs Modernization and 366 Owner Members voted yes for the Bylaws Modernization. A thank you was provided to all those who served on the Governing Documents Committee as well as the Inspector of Election.

C. Membership Applications

WHEREAS the Bylaws require Board approval of incoming members.

RESOLVED, to approve one Golf Equity Member Application A3159 as presented to the Board of Directors.

Resolution 22-68 (Passed Unanimously)

RESOLVED, to approve two Swim & Tennis Affiliate Applications B3197 and B3198 as presented to the Board of Directors.

Resolution 22-69 (Passed Unanimously)

VIII. NEXT MEETING DATES

Thursday, December 15, 2022, Regular Meeting, 6:00 PM, Board Room
Wednesday, January 18, 2023, Regular Meeting, 5:00 PM, Board Room
Thursday, January 19, 2023, Annual General Meeting, 6:00 PM, Dining Room

IX. ADJOURNMENT

At 6:32 PM the Regular Meeting was adjourned.

Prepared by Christina French
November 29, 2022

Approved by the Board of Directors on December 15, 2022.

**

Jason Crain, Secretary to the Board of Directors

Date

EXHIBIT A

COMBINED CLUB & HOA OPERATIONS
2023 Budget

	2023 Budget	Budget % Sep 22 RF	Rolling Forecast thru Sep 22	Change 12 71 Actual	2021 Actual
REVENUES					
General & Administrative	9,216,864	6.7%	8,641,634	4.8%	8,798,141
Food & Beverage	1,849,393	-5.4%	1,975,173	0.2%	1,846,084
Courtside Grill	659,250	0.0%	-	0.0%	-
Golf Operations	1,020,806	8.0%	945,571	19.7%	835,149
Swim Revenues	59,077	115.5%	27,469	50.5%	39,218
Tennis	164,400	14.0%	144,186	2.8%	159,943
Fitness Center	123,472	0.0%	-	0.0%	-
TOTAL REVENUES	13,003,762	11.6%	11,733,973	11.9%	11,896,575
GROSS PROFIT	11,988,258	11.0%	10,795,716	10.4%	10,861,048
PAYROLL EXPENSES					
General & Administrative	2,206,833	6.2%	2,078,346	111.5%	1,048,881
Food & Beverage	1,420,062	-14.1%	1,653,561	1.1%	1,464,979
Courtside Grill	555,391	0.0%	-	0.0%	-
Golf Operations	715,538	1.1%	707,642	21.3%	589,866
Swim	276,000	7.0%	257,873	3.5%	266,600
Tennis	354,454	12.9%	314,017	13.9%	311,116
Fitness Center	222,621	0.0%	-	0.0%	-
GCMaintenance	1,244,795	7.3%	1,160,550	12.4%	1,107,524
TOTAL PAYROLL EXPENSES	6,996,215	13.4%	6,171,959	47.1%	4,723,496
OPERATING EXPENSES					
General & Administrative	3,642,414	11.8%	2,721,246	23.1%	2,432,815
Food & Beverage	175,656	11.2%	157,972	-17.8%	213,656
Courtside Grill	34,100	0.0%	-	0.0%	-
Golf Operations	129,390	2.2%	126,652	8.7%	119,065
Swim	77,088	-2.0%	78,674	-2.0%	82,917
Tennis	40,610	64.0%	34,762	86.4%	21,387
Fitness Center	111,288	0.0%	-	0.0%	-
GCMaintenance	1,320,716	1.5%	1,300,897	13.9%	1,159,210
TOTAL OPERATING EXPENSES	4,931,262	11.8%	4,410,203	22.4%	4,079,690
NET INCOME/(LOSS) FROM OPERATIONS	6,983	-71.6%	219,554	-97.1%	2,107,863
+					
Transfers from Recreation Fund	-	-100.0%	600,000	-100.0%	150,000
Heritage Clubhouse Loan Payments	-	-100.0%	(1,373,113)	-100.0%	(193,389)
Claxon Water Rights Settlement	(56,940)	3.0%	(54,938)	9.3%	(51,859)
Recreation Project	-	0.0%	-	-100.0%	(30,080)
TOTAL TRANSFERS & DEBT SERVICE	(56,940)	-69.2%	(827,101)	-133.8%	(65,314)
NET IUL AFTER TRANSFERS & DEBT SERVICE	4,942	-100.7%	(613,567)	-99.8%	2,042,548
Depreciation & Amortization	426,000	-	319,500	-	567,042
Other Income	-	-	-	-	159,073
NET INCOME/(LOSS)	(411,958)	-54.8%	(933,067)	-127.8%	1,634,579

Global Assumptions

- Dues are unchanged from 2022
- Courtside Grill and Fitness Center open in 2023 – Budget is April – December
- Hours of Operation-COU 10am to 9pm, FIT 6am to 10pm
 - COU – 11 HRS/DAY, 77 HRS/WEEK, FIT – 16 HRS/DAY, 112 HRS/WEEK
- Employee head count increases by 4 salaried and 20 hourly positions
 - New Bocce Coordinator/PT
 - New Pickleball Professional/FT
 - New Fitness Director/FT
 - New Landscape Irrigation Manager/FT
- Budgeted payroll reflects increases of 3% - 5%; at 92% of full staffing pay to plan for vacancies
- Employee benefits expenses +9.4%
- Minimum wages increase on 01/01/2023:
 - Hourly \$15/hour to \$15.50, Salary \$62.4K to \$64.5K
- Overall operating expenses increase 10% due to sweeping vendor price increases.
- Individual expenses increase as follows:
 - Property & Liability insurance + 18%
 - Utility costs +8%
 - Water expenses flat as a result of the following;
 - EBMUD reduction of 10%, drought surcharge of +8%

11/17/2022

COMBINED CLUB & HOA OPERATIONS
2023 Budget

	2023 Budget	Budgetary Sep 22 Yr	Rolling Forecast thru Sep '22	2021 Actual
REVENUES				
General & Administrative	9,216,884	6.7%	8,641,634	4.8%
Food & Beverage	1,849,393	-5.4%	1,975,173	0.2%
Courtside Grill	659,250	0.0%	-	0.0%
Golf Operations	1,020,806	8.0%	945,571	19.7%
Swim Revenues	59,077	113.8%	27,469	50.5%
Tennis	164,400	14.0%	144,186	2.8%
Fitness Center	123,472	0.0%	-	0.0%
TOTAL REVENUES	13,093,262	11.0%	11,733,973	11.8%
GROSS PROFIT	11,983,259	11.0%	10,795,716	10.4%
PAYROLL EXPENSES				
General & Administrative	2,206,853	6.2%	2,078,346	111.5%
Food & Beverage	1,420,862	-14.1%	1,635,581	1.1%
Courtside Grill	553,391	0.0%	-	0.0%
Golf Operations	715,338	1.1%	707,642	21.3%
Swim	276,000	7.0%	257,873	3.3%
Tennis	354,454	12.8%	314,017	13.9%
Fitness Center	222,601	0.0%	-	0.0%
GC Maintenance	1,244,195	7.3%	1,160,550	12.4%
TOTAL PAYROLL EXPENSES	6,996,315	13.4%	6,171,959	40.1%
OPERATING EXPENSES				
General & Administrative	3,042,414	11.8%	2,721,246	25.1%
Food & Beverage	1,756,666	11.2%	1,579,972	-17.8%
Courtside Grill	34,100	0.0%	-	0.0%
Golf Operations	128,390	2.2%	126,652	8.7%
Swim	77,088	-2.0%	78,674	-7.0%
Tennis	40,610	64.0%	24,762	36.4%
Fitness Center	111,288	0.0%	-	0.0%
GC Maintenance	1,320,716	1.5%	1,300,897	13.9%
TOTAL OPERATING EXPENSES	4,931,262	11.5%	4,410,203	22.4%
NET INCOME/(LOSS) FROM OPERATIONS	60,682	-71.0%	213,534	-97.1%
+				
Transfers from Recreation Fund	-	-100.0%	600,000	-100.0%
Heritage Clubhouse Loan Payments	-	-100.0%	(137,113)	-100.0%
Canon Water Rights Settlement	(56,640)	3.0%	(54,938)	9.3%
Recreation Project	-	0.0%	-	-100.0%
TOTAL TRANSFERS & DEBT SERVICE	(56,640)	-89.2%	(87,101)	-13.3%
NET I/L(AFTER TRANSFERS & DEBT SERVICE)	4,042	-100.7%	(613,567)	-99.8%
Depreciation & Amortization	426,000	-	319,500	-
Other Income	-	-	-	-
NET INCOME/(LOSS)	(421,958)	-54.5%	(933,067)	-123.8%
				1,634,579

G&A Assumptions

- Revenues:
 - The New Clubhouse assessment of \$25/\$25/\$40 moved from Operations to Capital Development
 - Total Capital Development assessment now:
 - \$50 Homeowners & Golf Equity Associates
 - \$65 Swim & Tennis Affiliates
- Opening of the Courtside Grill and Fitness Center (2 buildings) will increase G&A expenses as follows:
 - Utilities and water expenses +26%
 - Housekeeping FTE count from 3 to 4
- FTE Reduction of 2 due to unfilled positions (MD, AP)

11/17/2022

F&B Assumptions

- Food & Beverage revenues increase by \$533,470, +27%:
 - 10% menu increase
 - New Courtside Grill revenues \$659,250
 - Dining room revenues -\$125,780, -6.4% due to new Courtside Grill dining
- Additional items to note:
 - Monday golf tournaments continue to be the only outside banquets.
 - Member events & Wine Club revenues are increase with the opening of the Courtside Grill
 - Courtside Grill hours of operation will be 7 days a week while weekday Dining Room lunch hours may be decreased.
- Food & Beverage operating expenses will be in line with 2022 year-end actuals.
- Payroll/Labor Items to note:
 - The \$23K for temporary employees used through September 2022, accounting for staffing shortages, is recorded as Professional Services
 - Budgeting for payroll is 92% of the fully staffed full-time employee (FTE) payroll expense
 - Fully staffed FTE's for 2023 is 28 as compared to current year-to-date FTE's of 26.5
 - The opening of the Courtside Grill will add 13 FTE's for a fully-staffed department of 41 employees.

11/17/2022

**COMBINED CLUB & HOA OPERATIONS**

	2023 Budget	2023 Budget Sept 22	Rolling Forecast thru Sep 22	Rolling Forecast	12/21 Actual	2021 Actual
REVENUES						
General & Administrative	9,216,864	6.7%	8,641,634	4.8%	8,708,141	
Food & Beverage	1,849,393	-5.4%	1,975,173	0.2%	1,846,084	
Courtside Grill	659,250	0.0%	-	0.0%	-	
Golf Operations	1,020,806	8.0%	946,571	19.7%	853,149	
Swim Revenues	59,077	115.5%	27,409	50.5%	39,258	
Tennis	164,400	14.0%	144,186	2.8%	159,943	
Fitness Center	123,472	0.0%	-	0.0%	-	
TOTAL REVENUES	13,093,762	11.6%	11,733,973	11.6%	11,696,576	
GROSS PROFIT	11,988,249	11.0%	10,795,716	10.4%	10,861,048	
PAYROLL EXPENSES						
General & Administrative	2,206,853	6.2%	2,078,346	111.5%	1,049,481	
Food & Beverage	1,420,662	-14.1%	1,655,561	1.1%	1,404,979	
Courtside Grill	555,391	0.0%	-	0.0%	-	
Golf Operations	715,538	1.1%	707,642	21.3%	589,896	
Swim	276,000	7.0%	257,873	3.5%	266,600	
Tennis	354,454	12.9%	314,017	13.9%	311,116	
Fitness Center	222,621	0.0%	-	0.0%	-	
GCMaintenance	1,244,795	7.3%	1,166,550	12.4%	1,107,524	
TOTAL PAYROLL EXPENSES	6,996,215	13.4%	6,171,989	45.1%	4,773,496	
OPERATING EXPENSES						
General & Administrative	3,642,414	11.8%	2,721,246	25.1%	2,432,315	
Food & Beverage	175,656	11.2%	157,972	-17.8%	213,556	
Courtside Grill	34,100	0.0%	-	0.0%	-	
Golf Operations	139,390	2.2%	126,652	8.7%	119,002	
Swim	77,088	-2.0%	78,674	-7.0%	82,917	
Tennis	40,610	64.0%	24,762	84.4%	21,787	
Fitness Center	111,288	0.0%	-	0.0%	-	
GCMaintenance	1,320,716	1.5%	1,300,897	13.9%	1,159,510	
TOTAL OPERATING EXPENSES	4,931,262	11.8%	4,410,203	27.4%	4,029,690	
NET INCOME/(LOSS) FROM OPERATIONS	6,057,032	-71.6%	213,534	-97.1%	2,107,562	
+						
Transfer from Recreation Fund	-	-100.0%	600,000	-100.0%	150,000	
Heritage Clubhouse Loan Payments	-	-100.0%	(1,370,113)	-100.0%	(153,389)	
Chuxon Water Rights Settlement	(56,940)	3.0%	(54,958)	9.3%	(51,339)	
Recreation Project	-	0.0%	-	-100.0%	(10,060)	
TOTAL TRANSFERS & DEBT SERVICE	(56,940)	-68.2%	(827,101)	-15.3%	(65,314)	
NET (ID) AFTER TRANSFERS & DEBT SERVICE	4942	-100.7%	(613,567)	-98.8%	2,042,248	
Depreciation & Amortization	426,000		319,500		567,042	
Other Income	-		-		159,073	
NET INCOME/(LOSS)	(471,958)	-54.8%	(933,067)	-120.8%	1,634,579	

COMBINED CLUB & HOA OPERATIONS
2023 Budget

Golf Course Assumptions

- **Golf Operations:**
 - Cart rental up to \$19 with new fleet higher costs.
 - Guest fees +\$10 to \$75/weekday and \$85/weekend, + \$3,220.
 - MCC will host 6 Monday golf tournaments
 - Operating expenses are budgeted flat to 2022 year-end expenses
 - A new Director of Instruction position brings budgeted FTE up from 12.4 in 2022 to 13 for 2023
 - Payroll expense budgeted at 95% of fully staffed FTE count dollars. The minimum wage increase from \$15 to \$15.50
- **Golf Course Maintenance:**
 - Budgeted fully staffed FTE down from 18 vs 17, including management
 - For budgeting purposes, we are using 92% of fully staffed FTE dollars
 - Operating expenses are 2% higher than the current year-end actuals:
 - Water expenses flat to current
 - Utilities +8%
 - Fertilizer, seed, sand and planting materials flat to current

	2023 Budget	Budgeting Sep 22	Rolling Forecast thru Sep 22	Change YTD	2021 Actual
REVENUES					
General & Administrative	9,216,864	6.7%	8,640,634	4.8%	8,788,141
Food & Beverage	1,849,593	-6.4%	1,975,173	0.7%	1,846,084
Courtside Grill	659,250	0.0%	-	0.0%	-
Golf Operations	1,020,806	8.0%	946,571	19.7%	853,149
Swim Revenues	59,077	115.2%	27,409	50.2%	39,238
Tennis	164,400	14.0%	144,186	2.8%	159,943
Fitness Center	123,472	0.0%	-	0.0%	-
TOTAL REVENUES	13,093,262	11.0%	11,733,973	11.9%	11,696,575
GROSS PROFIT	11,948,259	11.0%	10,795,776	10.4%	10,861,048
PAYROLL EXPENSES					
General & Administrative	2,206,853	6.2%	2,078,346	111.5%	1,943,481
Food & Beverage	1,420,662	-14.1%	1,653,561	1.1%	1,404,979
Courtside Grill	552,391	0.0%	-	0.0%	-
Golf Operations	715,538	1.1%	707,642	21.3%	588,886
Swim	276,000	7.0%	257,873	3.3%	266,600
Tennis	354,454	12.8%	314,017	13.9%	311,116
Fitness Center	225,621	0.0%	-	0.0%	-
GC Maintenance	1,244,795	7.3%	1,160,550	12.4%	1,107,424
TOTAL PAYROLL EXPENSES	6,996,315	13.4%	6,171,989	46.1%	4,723,496
OPERATING EXPENSES					
General & Administrative	3,042,414	11.8%	2,771,246	25.1%	2,432,815
Food & Beverage	175,656	11.2%	157,972	-17.8%	215,656
Courtside Grill	34,100	0.0%	-	0.0%	-
Golf Operations	126,390	2.2%	126,652	8.7%	119,005
Swim	77,088	-2.0%	78,674	-7.0%	82,917
Tennis	40,610	64.0%	24,762	86.4%	21,787
Fitness Center	111,288	0.0%	-	0.0%	-
GC Maintenance	1,320,716	1.5%	1,300,397	13.9%	1,192,510
TOTAL OPERATING EXPENSES	4,931,262	11.5%	4,410,203	22.4%	4,029,690
NET INCOME/(LOSS) FROM OPERATIONS	60,682	-71.6%	219,534	-97.1%	2,107,862
+					
Transfers from Recreation Fund	-	-100.0%	600,000	-100.0%	150,000
Heritage Clubhouse Loan Payments	-	-100.0%	(1,372,113)	-100.0%	(153,389)
Canyon Water Rights Settlement	(56,640)	3.0%	(54,988)	9.3%	(51,839)
Recreation Project	-	0.0%	-	-100.0%	(10,066)
TOTAL TRANSFERS & DEBT SERVICE	(56,640)	-98.2%	(87,101)	-15.5%	(65,314)
NET I/L AFTER TRANSFERS & DEBT SERVICE	4,042	-100.7%	(613,567)	-99.5%	2,042,548
Depreciation & Amortization	426,000	-	319,500	-	567,042
Other Income	-	-	-	-	159,073
NET INCOME/(LOSS)	(421,958)	-34.3%	(933,067)	-121.5%	1,634,579



11/17/2022

COMBINED CLUB & HOA OPERATIONS
2023 Budget

	2023 Budget	Budget Sep 22	Rolling Forecast thru Sep 22	Average %	2021 Actual
REVENUES					
General & Administrative	9,216,984	6.7%	8,641,634	4.8%	8,798,141
Food & Beverage	1,849,393	-5.4%	1,975,173	0.2%	1,846,084
Courtside Grill	659,250	0.0%	-	0.0%	-
Golf Operations	1,020,806	8.0%	945,571	19.7%	853,149
Swim Revenues	59,077	115.5%	27,409	50.5%	59,258
Tennis	164,400	14.0%	144,186	2.8%	159,943
Fitness Center	123,472	0.0%	-	0.0%	-
TOTAL REVENUES	13,093,602	11.6%	11,733,973	11.9%	11,696,575
GROSS PROFIT	11,993,259	11.0%	10,795,726	10.4%	10,861,048
PAYROLL EXPENSES					
General & Administrative	2,206,833	6.2%	2,078,346	111.5%	1,045,481
Food & Beverage	1,430,662	-14.1%	1,653,561	1.1%	1,404,979
Courtside Grill	555,391	0.0%	-	0.0%	-
Golf Operations	715,538	1.1%	707,642	21.3%	589,896
Swim	276,000	7.0%	257,873	3.5%	266,600
Tennis	354,454	12.9%	314,017	13.9%	311,116
Fitness Center	222,621	0.0%	-	0.0%	-
GC Maintenance	1,244,795	7.5%	1,160,550	12.4%	1,107,424
TOTAL PAYROLL EXPENSES	6,996,315	13.4%	6,171,989	40.1%	4,773,496
OPERATING EXPENSES					
General & Administrative	3,042,414	11.8%	2,721,246	25.1%	2,432,815
Food & Beverage	175,656	11.2%	157,972	-17.8%	213,656
Courtside Grill	34,100	0.0%	-	0.0%	-
Golf Operations	159,390	2.2%	156,652	8.7%	119,005
Swim	77,088	-2.0%	78,674	-7.0%	82,917
Tennis	40,610	64.0%	24,762	86.4%	21,787
Fitness Center	111,288	0.0%	-	0.0%	-
GC Maintenance	1,320,716	1.5%	1,300,897	13.9%	1,159,510
TOTAL OPERATING EXPENSES	4,931,262	11.5%	4,410,203	22.4%	4,039,690
NET INCOME/(LOSS) FROM OPERATIONS	60,632	-71.6%	213,531	-97.1%	2,107,562
+					
Transfers from Recreation Fund	-	-100.0%	600,000	-100.0%	150,000
Heritage Clubhouse Loan Payments	-	-100.0%	(1,372,113)	-100.0%	(155,389)
Claxton Water Rights Settlement	(56,940)	3.0%	(54,988)	9.3%	(51,839)
Recreation Project	-	0.0%	-	-100.0%	(10,086)
TOTAL TRANSFERS & DEBT SERVICE	(56,940)	-98.2%	(97,101)	-13.3%	(65,314)
NET I/D AFTER TRANSFERS & DEBT SERVICE	4,042	-100.7%	(613,567)	-69.8%	2,042,248
Depreciation & Amortization	426,000		319,500		567,042
Other Income	-		-		159,073
NET INCOME/(LOSS)	(421,958)	-54.8%	(933,067)	-120.8%	1,634,579

Other Assumptions

- Swim & Tennis:**
 - Operating revenues +31% due to 2 new Racquet Sport Tournaments (1 Tennis and 1 Pickleball)
 - Operating expenses +11% higher
 - Budgeted fully-staffed FTE count for Swim is 8 vs. 7. YAC is now 100% in Aquatics.
 - Budgeted fully-staffed FTE count for Tennis is 6, including a full-time Pickleball Professional, which will increase the payroll expense for 2023 vs 2022.
 - The mandatory minimum wage will increase from \$15 to \$15.50 for part-time/seasonal staff
- Fitness:**
 - Group instruction classes will be \$10 per person. Three classes per day, 20 people per class. 80% occupancy. \$123,472 revenue.
 - Revenues from private instruction are expected to be nominal.
 - Staffing will include the following:
 - One full-time Fitness Director
 - Three Reception/Front Desk Attendants
 - Various Part-time Instructors

11/17/2022



Other Assumptions

- Courtside Grill and Fitness Proforma
 - Courtside Grill NOI (\$166,989)
 - Fitness NOI (\$426,638)
 - Combined NOI (\$593,627)
 - 2023 Budget Combined NOI (\$351,644)
- FTE's – Courtside Grill and Fitness Proforma – 20.5
- FTE's – Courtside Grill and Fitness 2023 Budget – 17.5

Department	2018	2019	2020	2021	2022	2023
	Act	Act	Act	Act	Bud	Bud
TOTAL G&A	13.6	14.7	13.2	12.1	14.5	13.0
TOTAL HOA	9.7	9.0	8.5	6.8	10.0	9.0
TOTAL F&B	25.8	27.4	21.2	23.1	28.0	26.5
TOTAL GOLF	9.3	9.4	9.0	9.2	12.4	12.0
TOTAL SWIM	3.4	3.5	4.5	4.8	6.5	7.0
TOTAL FITNESS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL TENNIS	3.1	3.9	3.8	4.1	5.1	5.5
TOTAL GCM	16.0	16.0	14.3	14.5	18.0	17.0
TOTAL ALL	80.9	83.9	74.5	74.6	94.5	110.5

11/17/2022

COMBINED CLUB & HOA OPERATIONS
2023 Budget

	2023 Budget	Budget Sep 22	Rolling Forecast thru Sep 22	% change vs Actual	2021 Actual
REVENUES					
General & Administrative	9,216,864	6.7%	8,641,634	4.8%	8,798,141
Food & Beverage	1,849,393	-6.4%	1,975,173	0.2%	1,846,084
Courtside Grill	659,250	0.0%	-	0.0%	-
Golf Operations	1,020,806	8.0%	945,571	19.7%	853,149
Swim Revenues	59,077	113.8%	27,409	50.5%	39,258
Tennis	164,400	14.0%	144,186	2.8%	159,943
Fitness Center	123,472	0.0%	-	0.0%	-
TOTAL REVENUES	13,093,262	11.0%	11,733,973	11.9%	11,696,275
GROSS PROFIT					
GROSS PROFIT	11,983,259	11.0%	10,795,716	10.4%	10,861,848
PAIDROLL EXPENSES					
General & Administrative	2,206,853	6.2%	2,078,346	111.5%	1,045,481
Food & Beverage	1,420,682	-14.1%	1,653,561	1.1%	1,404,979
Courtside Grill	555,391	0.0%	-	0.0%	-
Golf Operations	715,518	1.1%	707,642	21.3%	589,896
Swim	276,000	7.0%	257,873	3.8%	266,600
Tennis	354,464	12.9%	314,017	13.8%	311,116
Fitness Center	222,611	0.0%	-	0.0%	-
GCM Maintenance	1,244,795	7.3%	1,160,550	12.6%	1,107,424
TOTAL PAIDROLL EXPENSES	6,996,315	13.4%	6,171,959	48.1%	4,733,496
OPERATING EXPENSES					
General & Administrative	3,042,414	11.8%	2,721,246	25.1%	2,452,815
Food & Beverage	175,656	11.2%	157,972	-1.7%	213,656
Courtside Grill	34,100	0.0%	-	0.0%	-
Golf Operations	129,390	2.2%	126,652	8.7%	119,005
Swim	77,688	-2.0%	78,674	-7.0%	82,917
Tennis	40,610	64.0%	24,762	86.4%	21,787
Fitness Center	111,388	0.0%	-	0.0%	-
GCM Maintenance	1,320,716	1.5%	1,300,897	13.8%	1,159,510
TOTAL OPERATING EXPENSES	4,931,262	11.5%	4,410,203	20.4%	4,039,690
NET INCOME/(LOSS) FROM OPERATIONS					
NET INCOME/(LOSS) FROM OPERATIONS	60,682	-7.0%	213,534	-57.1%	2,107,562
+					
Transfers from Recreation Fund	-	-100.0%	600,000	-100.0%	150,000
Heritage Clubhouse Loan Payments	-	-100.0%	(137,211)	-100.0%	(153,389)
Claxton Water Rights Settlement	(56,640)	3.0%	(54,988)	9.3%	(51,839)
Recreation Project	-	0.0%	-	-100.0%	(10,086)
TOTAL TRANSFERS & DEBT SERVICE	(56,640)	-68.7%	(87,101)	-13.3%	(65,314)
NET (UL) AFTER TRANSFERS & DEBT SERVICE					
NET (UL) AFTER TRANSFERS & DEBT SERVICE	40,042	-100.7%	(613,567)	-98.3%	2,042,548
Depreciation & Amortization	426,000		319,500		567,042
Other Income	-		-		159,073
NET INCOME/(LOSS)	(421,958)	-54.3%	(933,067)	-121.3%	1,634,579

HOA Operating Assumptions

- Adding a Landscape Irrigation Manager / 1 FTE
- HOA maintenance & landscaping fully-staffed FTE remains flat at 10
- For budgeting purposes, we are using 92% of fully-staffed FTE count dollars

HOA OPERATIONS
2023 Budget

	2023 Budget	Budget vs Sep 22 RF	Rolling Forecast thru Sep 22
REVENUES			
Violation Fines	-	0.0%	-
Homeowner Assoc Dues \$292 lot/mo)	1,825,584	15.4%	1,581,756
Homeowner Administration Fees	-	-100.0%	6,950
TOTAL REVENUES	1,825,584	14.9%	1,588,706
TOTAL PAYROLL EXPENSES	830,897	38.0%	649,228
OPERATING EXPENSES			
Permits & Licenses	3,120	23.8%	2,520
Utilities	90,944	10.1%	82,598
Telephone	600	0.0%	-
Vehicle Maintenance	2,561	-36.7%	4,046
Repairs & Maintenance	26,000	-45.7%	47,919
Home Inspection Material	-	0.0%	-
Equipment Rental	-	-100.0%	100
Sanitation	-	0.0%	-
Uniforms	-	0.0%	-
Irrigation Repairs	13,200	0.0%	-
Contract Landscape Services	399,924	2.6%	389,833
Drainage R&M	13,650	810.0%	1,500
Water Landscaping	198,968	20.3%	165,373
Plant Material & Supplies	17,000	-16.9%	20,467
Tree Maintenance	100,000	222.6%	31,000
Supplies & Small Tools	3,000	-13.1%	3,454
Fuel & Oil	7,957	11.9%	7,110
HOA Gutter Cleaning	65,000	0.0%	65,000
Landscape Chemicals-Fertilizers	7,000	-11.7%	7,929
Landscape Small Equipment Purchases	2,000	87.1%	1,069
Landscape Equipment Repairs	3,000	31.9%	2,274
Landscape Seed Sod	3,500	230.0%	1,000
Landscape Uniforms	-	-100.0%	82
Satellite Pools Chemicals	8,550	117.9%	3,924
Satellite Pools Repair & Maintenance	-	0.0%	-
Continuing Education	11,000	-18.8%	13,545
Waterway Maintenance	3,636	8.4%	3,354
TOTAL OPERATING EXPENSES	980,609	14.8%	854,097
NET INCOME/(LOSS)	14,078	-83.3%	85,381



11/17/2022

HOA Operating Assumptions

- Adding a Landscape Irrigation Manager / 1 FTE
- HOA maintenance & landscaping fully-staffed FTE remains flat at 10
- For budgeting purposes, we are using 92% of fully-staffed FTE count dollars

HOA OPERATIONS
2023 Budget

	2023 Budget	Budget vs. Sep '22 RF	Rolling Forecast thru Sep '22
REVENUES			
Violation Fines	-	0.0%	-
Homeowner Assoc Dues \$292 (net mo)	1,825,584	15.4%	1,581,756
Homeowner Administration Fees	-	-100.0%	6,930
TOTAL REVENUES	1,825,584	14.9%	1,588,706
TOTAL PAYROLL EXPENSES	830,897	28.0%	649,228
OPERATING EXPENSES			
Permits & Licenses	3,120	23.8%	2,520
Utilities	90,944	10.1%	82,598
Telephone	600	0.0%	-
Vehicle Maintenance	2,561	-36.7%	4,046
Repairs & Maintenance	26,000	-45.7%	47,919
Home Inspection Material	-	0.0%	-
Equipment Rental	-	-100.0%	100
Sanitation	-	0.0%	-
Uniforms	-	0.0%	-
Irrigation Repairs	13,200	0.0%	-
Contract Landscape Services	399,924	2.6%	389,833
Drainage R&M	13,650	810.0%	1,500
Water Landscaping	198,968	20.3%	165,373
Plant Material & Supplies	17,000	-16.9%	20,467
Tree Maintenance	100,000	222.6%	31,000
Supplies & Small Tools	3,000	-13.1%	3,454
Fuel & Oil	7,957	11.9%	7,110
HOA Gutter Cleaning	65,000	0.0%	65,000
Landscape Chemicals-Fertilizers	7,000	-11.7%	7,929
Landscape Small Equipment Purchases	2,000	87.1%	1,069
Landscape Equipment Repairs	3,000	31.9%	2,274
Landscape Seed Sod	3,500	250.0%	1,000
Landscape Uniforms	-	-100.0%	82
Satellite Pools Chemicals	8,550	117.9%	3,924
Satellite Pools Repair & Maintenance	-	0.0%	-
Continuing Education	11,000	-18.8%	13,545
Waterway Maintenance	3,636	8.4%	3,354
TOTAL OPERATING EXPENSES	980,609	14.8%	854,097
NET INCOME/(LOSS)	14,078	-83.5%	85,381



11/17/2022

Capital Replacement-HOA

- Reserve funding plan of \$18.25/lot/mo
- Will add assessments to:
 - Fund Infrastructure Project debt service, \$55/lot./mo
 - Increase Fully Funded Reserves for the future; and for 1 year to meet loan liquidity covenant—amount TBD

CAPITAL REPLACEMENT – HOA
2023 Budget

	2023 Budget	Rolling Forecast thru Sep '22	2021 Actual
REVENUE			
Homeowner Dues	1,625,520	1,337,928	1,137,864
Interest Income	1,000	4,480	221
Firewise Assessment	-	356,364	356,366
Home Sale Admin Fee \$5,000 Home (21 Sold)	107,500	145,000	
Firewise 2021 Overage		(236,186)	
Infra Loan Debt Service Dues (\$55/lot/mo)	343,860		
Reserve Funding Plan (\$70/lot/mo)	(437,640)	(114,100)	
TOTAL REVENUE	1,640,240	1,503,486	1,494,451
HOA EXPENDITURES			
Driveways	110,000	15,000	8,965
Dead/Diseased Plant Replacement	5,000	180,000	19,840
Exterior Home Painting	325,000	275,000	189,744
Exterior Siding/Trm Repair	450,000	390,000	365,803
Fence Repair & Replacement	30,000	10,000	30,614
Exterior Light Fixtures	10,000		
Home Sale Siding Termite Admin Fee wash	107,500	42,131	
HOA Infrastructure		3,935	24,143
PCC Common Driveways			101,000
Irrigation Control		90,078	
Walkways		10,000	
Home Improvement Subtotal	1,037,500	1,016,144	740,109
Common Area Landscape Improvements	10,000	(1,500)	4,200
Public Sidewalks	35,000		12,427
Comm. Equipment Purchases	10,000		
Tree-Renovals	30,000	15,000	
Pathways Pathways Lighting	10,000		
HOA Mapping	75,000		
Annual Fire Break	45,000		
Electrical Housing Units	35,000		
Infra Loan Debt Service	337,994		
Community Improvement Subtotal	587,994	381,651	971,427
TOTAL EXPENDITURES	1,625,494	1,397,795	1,711,536
NET INCOME (LOSS)	14,746	105,691	(217,085)



11/17/2022

Capital DevelopmentCAPITAL DEVELOPEMENT FUND
2023 Budget

	2023 Budget	Rolling Forecast thru Sep'22	2021 Actual
REVENUE			
REC Dues Owner (\$58/month)	368,868	156,300	156,300
REC Dues Golf Assoc (\$60/month)	300,960	125,400	123,575
REC Dues Swim/Tennis (\$77/month)	261,000	75,000	74,685
NCH Dues Owner (\$25/month)		156,300	
NCH Dues Golf Assoc (\$25/month)		125,400	-
NCH Dues Swim/Tennis (\$40/month)		120,000	-
Member Dues	930,828	758,400	376,950
Interest Income	100	959	56
Contribution from Cap Repl for New Rec Fac	250,000	250,000	250,000
Reserves for Rec Facility Balloon Pymnt	(171,335)		
TOTAL REVENUE	1,009,593	1,009,359	627,006
EXPENSES			
Construction Contingency @ 3%	13,631		
Liability Insurance @ 0.70%	3,276		
General Contractor Fee @ 4%	18,851		
Parking Lot Expansion			668,790
Rec Facility Construction		3,132,817	929,399
Subtotal Rec Fac Costs	35,758	3,132,817	1,598,189
Golf Cart Parking	85,000	13,025	
Construction Loan Debt Service	677,619	76,479	
Construction Spending	9,661,324	10,331,821	
Construction Lending	(9,661,324)	(10,331,821)	
TOTAL EXPENSES	798,377	3,222,321	1,598,189
NET INCOME/(LOSS)	211,216	(2,212,962)	(971,183)

11/17/2022



Recreation

- 30 membership sales at \$45K with 50% transfer fee
- 24 non-refundable waitlist deposits
- Reserves funding for Golf Course Turf & Irrigation TBD

RECREATION FUND
2023 Budget

	2023 Budget	Rolling Forecast thru Sep '22	2021 Actual
REVENUE			
Golf Equity Membership Fees (30 @ 50%)	675,000	453,950	835,950
NCH Non-Ref Assess Fee		(21,750)	86,250
Non-Ref Waitlist Fee (24)	120,000	200,000	171,000
Interest Income		8,731	235
Reserve Funding	(795,000)		
TOTAL REVENUE	-	640,931	1,093,435
EXPENSES			
Contribution to Operations		-	150,000
Contribution to Capital Replacement (Rec)		600,000	780,000
TOTAL EXPENSES	-	600,000	930,000
NET INCOME/ (LOSS)	-	40,931	163,435



2023 Dues

Assumptions Based Draft Budget Results with 2022 Dues/Assessments:

- Operating loss of \$245 Club, \$230K HOA, \$475K combined.
- Cover a Cap Rep-Rec loss of \$417K, *plus* an increase in Reserve Funding of \$245K.
- Cap Rep-HOA gain of \$55K *net* of \$55K Infra Loan interest (only), *plus* an increase in Reserve Funding of \$52/lot/mo.
 - Initial Reserve Study draft projects 40+% funding by end of 2023.
- Development gain of \$39K *plus* an increase in Reserve Funding for Rec Facility Loan balloon payment in 2044.

Number/Category	Owner Members	
	2022 6/29 TH	2023
	521	521
HOA Operations (2022 —> Est)	255	253
HOA Capital	196	196
HOA Capital Reserves	18	60
HOA Infra Debt Service	95	55
Total HOA Dues	469	604
Δ Prior Year	80	135
		138
Club Operations (2022 —> Est)	408	408
Cap Rep-Rec	61	61
Cap Dvlmnt (Total)	50	50
Total Club Dues	519	519
Δ Prior Year	(27)	-
		38
Total Combined Dues	988	1,123
Δ Prior Year	53	135
	5.7%	14.4%
		15.7%



11/17/2022

13

Number/Category	Owner Members		Golf Equity Mbrs		Swn & Tnns Afflts	
	2022	2023	2022	2023	2022	2023
Number/Category	521	521	418	418	250	250
HOA Operations (2022 —> Est)	255	292				
HOA Capital	196	190				
HOA Capital Reserves	18	70				
HOA In fra Debt Service		55				
Total HOA Dues	469	607				
Δ Prior Year	80	138				
Club Operations (2022 —> Est)	408	391	588	628	445	496
Cap Rep-Rec	61	107	88	163	-	-
Cap Dvlmnt (Total)	50	59	50	60	65	87
Total Club Dues	519	557	726	851	510	583
Δ Prior Year	(27)	38	21	125	29	73
Total Combined Dues	988	1,164	726	851	510	583
Δ Prior Year	53	176	21	125	29	73
	5.7%	17.8%	3.0%	17.2%	6.0%	14.3%
2022 HOA/2023 Golf Comparis						
	MCC	Comp	MCC	Comp		
Wilder	469	629				
Contra Costa CC			851	1,145		
Orinda CC			851	1,162		

