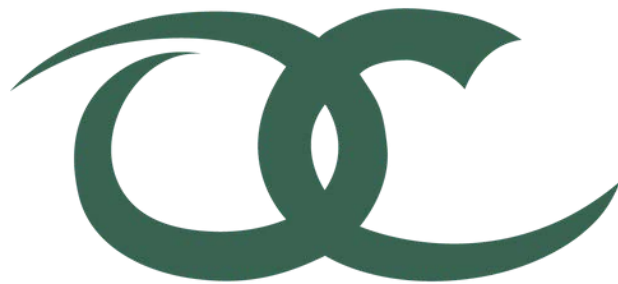




OLD CHATHAM GOLF CLUB



ANNUAL REPORT

2022-2023



2023 ANNUAL REPORT

The Annual Meeting of the Members of Old Chatham Golf Club took place on May 17, 2023 in the Grill room at Old Chatham. General Manager Ian Campbell called the meeting to order at 5pm by welcoming everyone to the gathering.

Ian discussed his goals for the 2023 season, with his focus being both the member and the employee experience. He would like to continue to improve the employee experience for our approximately 80 staff members in tangible ways like providing educational opportunities for the staff, finding ways to improve the work-life balance, establishing an Employee Assistance Program, creating a digital app for the staff, establishing succession plans for key staff, and a scholarship fund. Ian also discussed the necessity to provide things like a proper breakroom for staff. The overall goal is for employees to feel safe, engaged and valued at Old Chatham.

Ian then recognized Dickie Maynor for his exemplary service to the Club over the past 22 years. As the maintenance foreman, Dickie Maynor's primary responsibility is the care of the maintenance equipment and has saved Old Chatham hundreds of thousands of dollars with his expertise. As he approaches retirement, we are grateful to Dickie for his contribution.





2023 ANNUAL REPORT

Allen then recognized the members that we had lost this past year- Terry Pegram and Mike Ray and former members Frank Daniels and Bill McCoy. He asked for moment of silence to honor them.

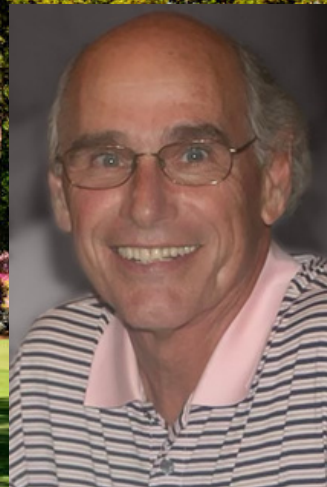
Allen then discussed the Club's long-term plan to respect the original vision of the founders while continuing to evolve. Being in a "Category of One" is our ultimate goal and we must have a foundation of Excellence in everything we do.



FRANK
DANIELS



BILL
MCCOY



MIKE
RAY



TERRY
PEGRAM



MEMBERSHIP

Membership Chair Ray Vrscak then provided the membership report. Ray summarized the membership growth this past year under the guidance of his committee, with a current total of 379 members equating to 287 Resident Equivalent Members. We currently have 4 individuals in the applicant pool and approximately 16 in the pipeline. Ray stated that more member referrals are needed to fill the pool and pipeline.



MEMBERSHIP COMMITTEE

RAY VRSCAK, CHAIR DOUGLAS SOLOMON, VICE CHAIR

ANDY BROCK
RON COULSON
JIM DUNCAN
GEORGE KARAKOSTANTIS
JAY KLOMPMAKER
MAX PERKINS
JIM LAMONT
ALEX SIMAKAS
WES VANCE



FINANCE

After acknowledging members of his committee, Finance Chair Jim Bick then provided the treasurer's report. Jim reported that the financial position of the Club is much improved. The Club is pleased with the finances operationally but feels that we are less than ideal on the balance sheet. The Club is very happy with the current positioning but acknowledges there is still progress to be made.

Jim reported that the Club had \$4.2M in bank debt at the end of 2022 and about \$10M in liabilities owed to current and former members. The Club has continued to invest heavily in assets, totaling \$5.3M in investments over the last 4 years while reducing debt by \$1M. Restructuring the membership dues in 2023 was critical to moderating dues increases going forward. Jim discussed the benchmarking that Old Chatham has undertaken which revealed that Old Chatham was far below its peers in the number of full dues paying members. The steps taken to streamline to two memberships only (Resident and National) for incoming new members starting in 2021 and restructuring the dues have moved our percentage of full dues paying members vs. total members closer to the average in our peer group. It is still below the average, however.



FINANCE COMMITTEE

KEN AUMAN
MIKE BONELLO
JOHN PLACHETKA
MARK SINGLETON

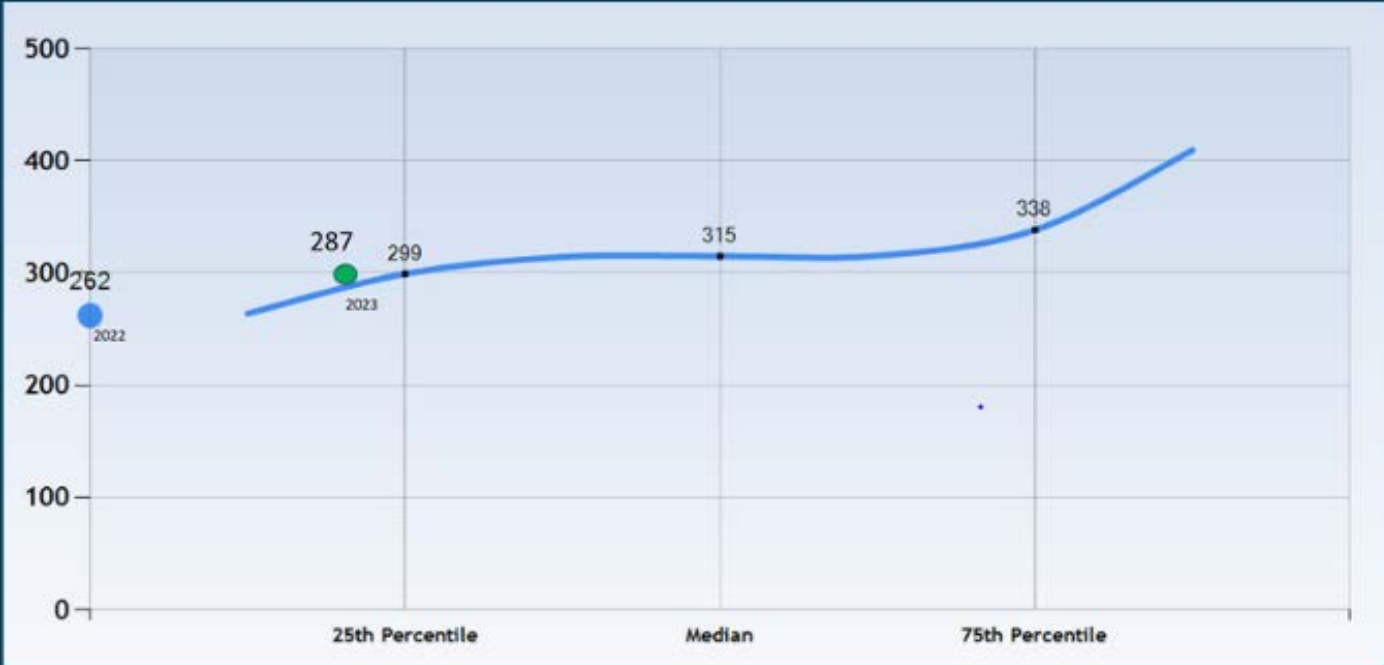
JIM BICK, CHAIR MATT COFFLAND, VICE CHAIR



FINANCE

Jim reported that we have segregated the reporting of our cash between operating, capital and debt service, viewing bank debt net of debt service cash as our “actual” debt level. In the current uncertain banking climate, we are reluctant to accelerate actual debt repayment in case we could not borrow on as attractive terms if we needed to. With the current increase in interest earnings on our cash, especially relative to our capped loan interest rate, the cost of this caution is relatively small. Our goal is to further “reduce” net debt from \$4M at the end of 2022 to \$2.9M by the end of this year and further in future years.

Jim reported that our capital expenditures for the year have been fully funded with approximate \$1M in reserve. Jim concluded his report by restating the Club’s financial strategy: set operating dues so that we are operationally break even, have capital dues and initiation fees fund capital expenditures and debt service and assessments fund aspirational capital.



NUMBER OF RESIDENT EQUIVALENTS



GREEN

Green Committee Chair Lee Morris then provided the report on the golf course. He acknowledged his fellow committee members and recognized Brian Powell and his team for their exemplary work during the renovation. He reported that the renovation has been nominated for “Renovation of the Year” by Golf Digest.

Lee addressed how the cool spring has impacted the speed with which the sprigged fairways have grown in- soil temperatures must be higher than 60 degrees 2” below the surface for growth, but even so the fairways are far better than the previous bermudagrass fairways would have been in these conditions. Lee also discussed the algae blooms in the new pond that have occurred from time to time this spring, along with visible weeds in the juvenile grass that cannot be treated in the same way that weeds can be in more mature grasses. All of these issues are temporary and will be corrected as we move into the summer. Lee then thanked Allen for his leadership and the membership for their support of the project.



GREEN COMMITTEE

LEE MORRIS, CHAIR DREW STEFFENS, VICE CHAIR

JIM BICK
LEW EBERT
JACK EVANS
GEORGE LEIGHT
RUSS McLAUCHLAN
DAVE MEROLA
VANN PARKER
JUSTIN WILLIAMS



STRATEGIC FACILITIES

Matt McGuire then provided the report from the Strategic Facilities Committee, an ad hoc committee created in 2022. This committee grew out of initial work on various potential facilities projects in the Facilities and House Committee.

It became evident that given the interactions between these ideas, a more complete assessment of the current and future needs of the Club was necessary. Since then, Old Chatham has been consulting with industry leader, The McMahon Group, to develop a facilities master plan looking forward 20-30 years. It is important that Old Chatham stay relevant among its peer groups and continue to invest in the Club to provide an excellent experience for its members. This will reflect a significant investment in the Club over the next 20-30 years.



STRATEGIC FACILITIES COMMITTEE

MATT MCGUIRE, CHAIR JIM BICK, VICE CHAIR

KEN AUMAN
JIM BICK
BOB MCGEE
MAX PERKINS
SCOTT RUERUP
RAY VRSCAK
LIN WRIGHT



STRATEGIC FACILITIES

This consultation is a multi-step process that Old Chatham is currently about halfway through, with the next step being one of the most critical- member focus groups. The Club will be looking for 70-100 members to participate in these focus groups. He encouraged members to watch their email for more information on how to participate.

Matt McGuire will also be serving as the Chair of the 2026 US Girls' Junior Championship at Old Chatham. He underscored how special it was to have the USGA select Old Chatham for a second Championship, especially as they have significantly narrowed their list of Championship potential venues. This event will be larger than the 2019 US Senior Amateur Championship, with more family and a large contingent of college coaches. We will be seeking volunteers to help with all aspects of the Championship.



COMMITTEE GOALS AND OBSERVATIONS

- Category of One Aspirations
- High-quality facilities, amenities and programming are essential to attract and retain high-quality members
- Planning for high-quality staff
- Use patterns have changed, facilities have not
- Facilities are undersized in key areas
- National Membership category has growth potential



CONCLUSION

Finally, Allen concluded the meeting by recognizing the work of the Golf Committee as well as House and Facilities Committee. He reminded members that Board service begins with service at the committee level and he encouraged any member interested in serving on the Board to first select a committee that interests them.



GOLF COMMITTEE

RYAN BURLESON, CHAIR BRETT KIST, VICE CHAIR

MIKE BONELLO
ROBERT LEGGETT
SCOTT McDOWELL
ADAM RHODES
KEVIN SMYTH
JOHN STOW



HOUSE & FACILITIES COMMITTEE

MATT McGUIRE, CHAIR JIM BICK, VICE CHAIR

DANNY AGRESTA
NICK BEAIRD
WHITNEY GRUMHAUS
JOHN MORRIS
LIN WRIGHT



Q & A

Allen then opened the floor to questions.

The first question came from General Brett Williams and asked how to stop cart traffic close to the greens.

Taylor Boyd asked if Old Chatham is more sensitive to cart traffic than other clubs.

The final comment was from Cooper Taylor, who asked the Board to be aware of how increasing fees like guest fees or caddie fees disproportionally impact younger members, who are newer in their careers and who recently had a large dues increase.

The meeting concluded at 6pm.

