



Rancho Santa Fe Golf Club

Update

June 11, 2019

***Historic Gem
Community Asset
Committed to Excellence***

Our Golf Course Is Historic, Traditional

- **Opened on June 5, 1929**
- **Notable golfers have enjoyed its challenge and beauty**
 - Charlie Hoffman
 - Phil Mickelson
 - Sam Snead
 - Byron Nelson
 - Arnold Palmer
 - Babe Zaharias
 - Bing Crosby
 - Victor Mature
 - ... and many more
- **Tradition of landmark events**
 - First six Bing Crosby Pro-Am Tournaments, “The Clambake” (1937)
 - San Diego Open Championship (1954)
 - National Junior Amateur Championship (2006)
 - USGA championship qualifying tournaments

90th Anniversary Party on Saturday, June 22

We Are a Private Club...

...that Serves Our Community

- **Membership**

- 442 regular dues-paying members
- Lowest dues among peer clubs in San Diego
- To date, 2018-19 enrollments exceed cancellations

- **We offer amenities and events to all Covenant residents**

- Restaurant dining
- Any Wine, Any Time
- Meeting facilities
- Family events
- Easter, Thanksgiving dining
- Christmas tree lighting
- Mother's Day, Father's Day
- Date Nights

- **Promotional Playing Privileges**

- Introduce all community residents to the Golf Club
- Encourage members to join

We Strive for Excellence

- **New Staff**

- General Manager **Brad Shupe**
- Food and Beverage Director **Chris Sarten**
- Executive Chef **Aaron Burns**
- Director of Golf **Michael Jack**

- **Key initiatives:**

- Excellence in food and beverage quality, consistency, and service
- Ranch Clubhouse improvements
- Golf Course improvements (e.g., irrigation, bunkers, driving range, etc.)

- **Ongoing studies to determine scope, costs, and priorities**

- Ranch Clubhouse and Snack Bar renovations
- Golf Course Masterplan Update

Our Finances Are Strong

- **Annual net operating income is positive**

- Golf Club members pay for all expenses:

- Restaurant operations
 - Golf course maintenance
 - Water
 - Capital improvements
 - Property taxes
 - Insurance
 - Association services
 - Food and beverage losses

- The Association does not subsidize any aspect of Golf Club operations

- **Reserves are very healthy**

- Restricted reserves at \$4.8 million (100% of requirement)
 - Operating reserves at \$1.5 million (for capital or unanticipated expense)

The Golf Club Is a Community Asset

- **Social hub**
- **Financially strong**
- **Membership is stabilizing**
- **One of the top 5 courses in Southern California**
- **Clubhouse and restaurant available for all Covenant members**
- **Supports property values**

Committed to excellence:

On the course
In the Clubhouse

Cost Sharing Agreement

- History and Background
- Concept of Cost Sharing Agreement

Cost Sharing Agreement

- Oversight by Joint Committee
 - 3 appointed by Association Board (2 to be Board members)
 - 3 appointed by Golf Club Board (2 to be Board members)
 - Association Manager and Golf Club General Manager

Cost Sharing Agreement

- Day-to-Day F&B Operations
 - Responsibility of Golf Club General Manager
- Policy and Strategic Decisions
 - Reviewed by Committee
 - Approved by Both Boards
 - Include:
 - Mission and Vision
 - Major Capital Expenditures
 - Material Personnel Decisions

Cost Sharing Agreement

- Operating Budget and Cost Structure
 - Based on Budget
- Sharing
 - Net Profit or Loss Shared Equally
 - Association Exposure Limited to Fixed Amount
 - Proposed for 2019-20: \$300,000
 - Capital Improvements Shared Equally
 - Managed by Joint Committee
- Supersedes relevant sections of Resolution 2017-102

Cost Sharing Agreement

2019-2020 Budget Equal Share = \$337,051

2019-2020 Proposed Cost Share = \$300,000

CATEGORY	AMOUNT
Revenue	2,937,400
Cost of Goods Sold	(1,341,380)
Gross Margin	1,596,020
Total Expenses	(2,084,621)
1 Operational Profit/(Loss)	(488,601)
Dining Reserves	(72,450)
Dining CapEx	(12,000)
2 Total Reserves + New CapEx	(84,450)
3 Total Clubhouse Maintenance	(101,050)
GRAND TOTAL TO SHARE (50/50)	(674,101)