

CLUB ADVISORY COMMITTEE MEETING MINUTES

Date: February 19, 2015

Attendees: Bill Cordwell, Les Purcell, Jack Ferry, Gary Miller, Donna Hickey, George Bowers, Steve Lind, Bob Thompson, Brian Townsend, and Chef Tim

Not Attending: Audrey Wahl, Wayne Littleton, Mary Ann Whitcomb

Les Purcell called the meeting to order. January Meeting Minutes approved.

B. Cordwell emailed all Club Committee members his "Lessons Learned Report". Committee Members in attendance approved the document as written.

S. Lind requested the Keno Documentation he developed be included in the meeting minutes. All Committee Members did NOT agree Keno would generate an efficient source of income, due to the extra duties placed upon the bar tenders.

S. Lind requested the discounted "Swipe" card suggestion for the Cove be included in the minutes. B. Thompson felt the "Swipe" card presently being used for OPA amenities could be used, but needs improvement (reading the card data).

High Top tables were discussed. Per B. Thompson; No money budgeted and no additional tables will be purchased until outside seating issues with the County are resolved. Six (6) High Top tables purchased thus far are for indoor/outdoor use. No Umbrellas in the proposed budget.

The Valentine's Event was a sell-out, actually turned people away. Kudos to Chef Tim and the Cove Staff. G. Bowers concerned the menu items did not meet the taste of the average OPA member. Chef Tim creating different menu items to diversify the Cove from other local restaurants.

G. Bowers asked if a "Business Plan" for the Yacht Club has been developed. B. Thompson: Plan had been developed, but the dynamics of the OP Community is a very unique place to conduct business. Lessons learned are being discussed and implemented.

Trivia Night a very big hit! Similar social events should be scheduled.

S. Lind suggested a "Locals/Gathering Party" to get people back who may have been discouraged or disappointed with the Yacht Club's opening, inefficiencies, and décor.

G. Bowers and D. Hickey requested financial information on the Yacht Club, especially what event(s) are making money and what events are not. B. Thompson: Club Monthly Profit/Loss statement in the Controller's Report and no detail report for the Club's Committee review.

L. Purcell is seeing more and more new people and socializing at the facility every week.

D. Hickey has been getting very positive feedback from patrons. Changes have been healthy and seems to be new energy at the Cove/Yacht Club. Customer service has been great!

D. Hickey requested status of F & B General Manager hiring.

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B. Thompson and Chef Tim stated St. Patrick's Day event has been developed and advertised.

S. Lind stated the Yacht Club/Cove is a \$4.5 million Amenity and should be opened year round for the community. The facility is being utilized by a growing number of the year round population.

J. Ferry referenced and presented local advertising coupons for meal deals, thus possibly generating more patrons. Suggested Cove advertising in local papers be larger and more appealing than the weekly Farmer's Market ads.

B. Thompson comments:

- Search to fill the F & B Manager's position in progress (Career Builder and Staff recommendations). Resumes are coming in. Small Task Force to assist in interview process, but B. Thompson will make the final decision selecting the best, most qualified person. Goal is to have a Manager in place by the end of March – first week of April.
- Inventory Controls in place. Inventory and Daily receipts are NOT always counted the end of a shift, but may be counted the next day.
- Utility Cost (especially Propane) are very high. (Why is the 2nd floor being heated when not being used?)
- Payroll costs are high, but getting better control and becoming more efficient.
- Solid Team foundation in place at the facility. Sales Team and Food Staff very solid.
- Proposed Budget incorporates a 2nd Fire Pit, additional Beer Lines to the Tiki Bar, Hurricane Shutters installed at the Tiki Bar, Upgraded Furniture for the facility, and a Side Service Bar for Staff only.
- (Health Issue!) "Fly Control" – fans over doors, and designated automatic enter/exit doors for Staff servers.
- Improved training and better overall communication for new employees.
- More efficiencies in the kitchen and improved menu list. Chef Tim will add Vegetarian dishes to the menu.
- Final payment for Yacht Club construction has Not been made. Punch list items continue to be developed and repairs made.

Steve Lind Notes to Meeting Minutes:

I'd like to suggest that the following be incorporated into the lessons learned report under *item 6, bars*. Some of the points duplicate what is already there and can be edited out or used instead of what is duplicated in the report. but the most important observation that definitely should be included is that "winter happy hour is good for business":

1. Winter 'Happy Hour' is good for business. Most bar customers eat a meal while sitting at the bar, and many more start off at the bar for Happy Hour and then move to the

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dining room to have dinner. On many nights more dinners are served at the bar than in the dining room. The bar business can get us thru the winters, but due to deficiencies in the bar design we are limited in customer capacity. We lose customers to competitors mainly because it is sometime difficult to get seats at the Cove's undersized bar. The most inexpensive and eventually profit generating remedy is to add several more hi-tops to the dining room during the winter months, just outside the entranceway to the bar area.

also under #6, bars, include a "moving forward" suggestion:

WINTER: As the Cove's first winter progresses, it has become obvious that the amenity is being utilized and enjoyed by a sizable and growing segment of our year round population. The Thursday prime rib special, the Friday entertainment, the special events such as the locals Christmas Party, Valentines Dinner, Trivia Night etc. have been successful. If we continue to make improvements such as additional hi-tops, better TV's etc., more special events, the off season crowds - - and profits - - will continue to grow. Also, we could sell discounted swipe cards to property owners from October to February - - to be used Memorial Day to Labor Day - - in order to reduce the winter financial deficit. A plan has been formulated by the Clubs Committee and will be presented to the General Manager.

SUMMER: a) the marsh biting fly problem needs to be researched and addressed long before the summer gets here. There are inexpensive ways to eliminate rather than control the problem, one such way is by use of a trap designed by Rutgers University. Said traps could be built by our Public Works Department, could be made to resemble planters, do not require chemicals, and will eventually eliminate the fly population.

b) the policy of reservations, especially on weekend nights, needs to be revisited and reconsidered. c) If more Adirondack chairs are added to the outside venue, on weekends they should be available only to customer being served by cocktail wait staff.

YEAR ROUND: the average retail income in 2013 for Keno vendors was approximately twenty seven thousand dollars a year. It's installed for free, staff is trained for free, and because of our physical setup disruption to our bar service would range from minimal to none . . . the bartender makes the sale (yes, we make money on that sale), the customer can check if the ticket is a winner at portable stations installed on the walls, and winners can cash their tickets at either the planned new service bar in the summer, or the lobby reception desk in the winter.

Steve Lind Notes to Meeting Minutes:

1) Install Keno at the Cove as a source of income:

>5.5% commission on sales and an additional 3% commission on anything cashed through the Lottery terminal, plus substantial bonuses when players win big on certain games.

>In fiscal year 2013, total commission paid to Maryland Lottery retailers were \$119.8 million, which averaged out to \$27,000 per retailer (4,400 retailers)

>The Lottery provides retailers with the ability to cross-promote their existing business with Lottery products. And we could post winning numbers lottery in our Cove e-blast as a promotion device.

>The lottery provides customers with another reason to visit The Cove. (All of our nearby - - and not so nearby - - competitors have Lotto terminals).

>Technical support is provided 7 days a week, 363 days a year.

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- >Reliable routine maintenance of equipment and delivery of supplies.
- >Rapid processing of tickets (which means quick and efficient service for Cove customers).
- >**FREE** installation of Lottery and communication equipment.
- >**FREE** attractive point-of-sale material and advertising support.
- >**FREE** training for Cove employees.

>In order not to interfere with bar service, *sales and payoffs* could be made at the reception desk in the winter while *sales only* could be made at the reception desk all year long. *Payoffs only* could be made at the new service bar in the summer. *Sales only* can be made at only at the inside bar year round, and tickets can be checked by the customer -- not the bartender -- using self-serve units that are mounted on the wall. (This is dependent on what equipment the lottery commission supplies.)

>It should be noted that the lottery commission has a 'sales deficiency' criteria which is based on a failure to attain sales of 50% of the average total sales of the five closest lottery retailers, during a ten week period. Said closest retailers would most likely include La Hacienda, Taylors, South Side Deli, Whiskers and 7-11, all of which have less business volume in the winter, just as we do.

2) Sell discounted 'swipe' cards for the Cove during the winter as a source of winter income:

>Sell at the Administrative Building October 1st to March 1st to assessment paying property owners only, valid for use Labor Day weekend to Memorial Day, no expiration date, can be 'refilled' during designated purchase period. The property owners would be in effect loaning the Cove money during the slow winter months, then would get 'repaid' during the profitable summer months. Also, this would serve to expand our year round customer base by attracting property owners who currently patronize the competition

>Suggested card denominations and discounts would be

Gift VIP:	\$115 card for \$100	13% Discount
Bronze VIP	\$200 card for \$170	15% Discount
Silver VIP	\$250 card for \$210	16% Discount
Gold VIP	\$500 card for \$415	17% Discount

Of course these amounts and discounts are meant only as an illustration, the GM and Board would need to figure that out.

Cards not valid for special events such as wine tasting etc.

If for example, during the entire course of the winter we sell just 75 gift cards, 25 Bronze cards, 10 silver cards, and 5 gold cards, we'll put \$16,325 on the YC winter books.

Meeting adjourned at 6:00pm.

Next Meeting Date: March 19, 2015

Time: 4:00pm

Sincerely,

George Bowers
(410) 218-3453