

**THE PRAIRIE CLUB**  
**BOARD of DIRECTORS' MEETING**  
**October 17, 2018**

**Call to Order**

President Doug Elrick called the board meeting to order at 6:31 pm. All members listed below were present unless designated by an asterisk (\*). All members listed below with (p) participated via teleconference.

**Officers:** President – Doug Elrick (2018)  
1<sup>st</sup> Vice President – John Manthey (\*) (2018)  
2<sup>nd</sup> Vice President – Patricia Craig (2018)  
Hazelhurst Camp Chair/Vice President – Larry Bergman (2018)  
Spring Grove Camp Chair/Vice President – Erin Kiehm (2018)  
Treasurer – Bill Breach (2018)  
Recording Secretary – MP McKenzie (2018)

**Directors:**

Jim “Mac” McCarthy (p) (2018)	Hope Little (2019)	Bob Foote (p) 2020)
Patty Ciesla (*) (2018)	Richard B. Spurgin (p) (2019)	Art Anderson (p) (2020)
Brian Reed (2018)	Charles Calkins (2019)	Charlie Johnson (p) (2020)
Dan Gapen (2018)	Jean Simmons (p) (2019)	Terry Riban (2020)

**Chairs:** Buena Vista - Paula Flanagan (p) and Beverly McBrien (\*)  
Family Cottage - Carla Klausler  
Farmhouse - Deb McGrath (\*) & Barb Wittersheim (\*)  
Membership - Barb Burton Halfpenny (\*)  
Nominating – Sarah Craig (\*)  
Conservation – Leo Krusack (\*) and Bernie Dahl (\*)  
Activities - Hope Little  
Spring Grove Lodge – Mickey Hanson and Judy Illingworth (\*)  
Finance - Rich Spurgin (p)

**Members:** Mark Sever

**Executive Director:** Jacquie Dziak  
A quorum was established.

**Minutes Approval:**

Charles Calkins moved to approve the minutes; Patricia Craig seconded the motion; all in favor, the motion passed.

**Treasurer's Report - Bill Breach**

Looking at the September financials, the trends are still intact. The rentals are ahead of budget, we have \$5,000 in donations (we don't budget for donations), and all assessments are in. Fee income is close to budget, with member dues just over what was budgeted.

We're \$10,000 over in disposal fees because they had been overbilling us. They paid \$5,000 back upfront and then \$5,000 more in unbilled service which ended during September. So the

financials show \$200 in fees versus \$4,000 budgeted. But it was their mistake and we're caught up now.

Maintenance is close to budget; insurance less than budgeted which was a nice surprise. Salaries and real estate taxes are close to budgeted. So our net income is \$143,000 versus \$125,000 budgeted.

The Balance Sheet shows our total checking and savings at \$388,000; last year it was \$311,000.

We opened the Charles Schwab account for the improvement funds. We keep the improvement funds in one bank account, but the individual cost center funds are kept separate on our books. We're still in the process of transferring the improvement funds over to the Charles Schwab account.

## **Old Business**

### **Standing Committees**

#### **Elections Committee**

The names have been published in the Fall 2018 bulletin which came out a few weeks ago.

#### **Membership Committee – M.P. McKenzie**

4 names were published in our most recent bulletin and no objections have been raised.

Clare & Michael Donnemwirth

Lindsey Gapen

Dragana Seizovic Rajic

Erin Kiehm moved to accept the new members as presented. Brian Reed seconded; all in favor, the motion passed.

#### **Proposed 2019 Board Calendar Dates**

March 20

May 15

July 17

September 18

October 16

December 11

Patricia Craig moved to schedule the 2019 Annual Meeting on Saturday June 8<sup>th</sup> at Hazelhurst Camp. Larry Bergman seconded; all in favor, the motion passed.

The new member meet and greet will start at 11 am this year.

Charles Calkins moved to accept all dates for 2019 as presented; Hope Little seconded, all in favor, the motion passed.

## **New Business:**

### **2019 Budgets – Bill Breach**

Capital Expenditures and Fund Balances analysis shows the big picture. We expect 2019 income and expenses to be very similar to 2018. We project 2019 will start with \$326,000 and finish

around \$360,000, continuing to take in more than we spend largely because we have no big projects next year. We'll rebuild the HH basketball court (\$25,000) and the rental properties have requests totaling \$6,000. So, we've budgeted net income of \$64,000. We've assumed again that the net income from the 3 Hazelhurst rental properties will be transferred into the Hazelhurst Rental Property Improvement Fund after year-end.

The rental property requests are for new refrigerators and dishwashers for Buena Vista and Family Cottages, budgeted \$6,000.

Assuming the dues stay at \$120 in 2019, there's no reason to raise budget projections. Assessments are tied to dues level so they stay the same as well.

**2019 Proposed Rates for Hazelhurst rentals:**

At Hazelhurst, the cleaning fees are increasing, going up about \$1,000 each for Buena Vista and the Family Cottages. Everything is going up: maintenance, utilities, etc. We haven't raised the rates much since 2015, just modest raises (1-2%) for Buena Vista and Family Cottages when we added linens and wifi, just to cover their costs.

So they looked at raising rates for all properties. The daily rates don't change much at all, just a few dollars. The exclusives, for the most part, are sum total of all the rooms added together.

The committee recommends raising the rates 5% across the board for all 3 HH properties.

The one exception is the week prior to Labor Day which is typically difficult to rent. Children are back in school, its the end of summer, families are unlikely to be available. They'd like to discount this specific week to see if we can fill the rentals through season end. Perhaps advertise in the January bulletin.

Concern was raised that 5% might be too much for working families. In the current economy, wages have been stagnant and the rentals have been profitable the past two years.

All the profits on each rental stay with that rental for upgrades. They go directly to each improvement fund, not the Prairie Club general account.

Looking at the specific numbers, Buena Vista is currently \$560 for a week in the off season (October); that rate will only go up \$28, to \$588 for a week's rental. That's not a big jump. Often two related families will share the facility, with each taking one side. That's still a bargain; it doesn't seem extravagant.

Related costs are still going up; we've added the beach bathrooms and emergency phone, the caretaker salary annual increase, the real estate taxes continue to climb. We have expenses.

When we raise rates, people don't generally complain, they are more likely to rent in the off season.

The facility chairs, Paula Flanagan, Carla Klausler and Deb McGrath each support the 5% increase. It was pointed out that there are some larger projects on the horizon, like the Farmhouse screened porch project, which depend on rental income for funding.

It was suggested that we could opt to freeze off season rates, while raising peak and mid season

by 5%, to keep an affordable option available. But the costs for the facilities are higher in the winter months due to higher heating and electrical usage.

Hope Little moved to accept the price increases of 5% for all 3 Hazelhurst rental facilities; Erin Kiehm seconded.

Patricia Craig moved to amend that motion to freeze rates for offseason rentals; MP McKenzie seconded; one vote for and 16 against, the amendment failed.

Vote was taken on the original motion as presented, all in favor, the motion passed.

Rich Spurgin moved to leave annual dues unchanged, Hope Little seconded; all in favor, the motion passed.

The finance committee has gone through the budget and vetted each item. The 2019 budget includes each separate cost center – the Prairie Club office, Hazelhurst Camp, the Farmhouse, Buena Vista, Family Cottage and Spring Grove Camp.

Rich Spurgin moved to accept budget as presented, Charles Calkins seconded, all in favor, the motion passed.

Spring Grove has not increased rental rates for 2019. They are still working to raise occupancy rates and don't want to increase prices until they've hit their targets.

### **Committee Reports**

#### **Spring Grove Camp – Erin Kiehm**

The new caretaker, 4 months in, is working out very well. They are still waiting for the change in banks (from Fifth Third to Chase, approved at the July board meeting).

The water is still on at the camp ground but they'll be turning it off soon for the winter.

They installed new seat covers on the lodge furniture. They hope to get more house projects done this winter. The Spring Grove Improvement Fund is built up so they have funds on hand for the projects.

Waste Management has raised its rates substantially, up to \$3,000 annually. Jacquie made 3 phone calls and found an alternate vendor who charges 70% less. Waste Management offered to match the bid but they chose the new vendor.

#### **Hazelhurst Camp – Larry Bergman**

The only new business is that the emergency phone for the beach is now installed, has been tested and is working. As soon as you pick up the handset, it auto-dials 911. Then the emergency system automatically texts Vern immediately so he is alerted as well. He doesn't always answer a phone call but does check texts.

#### **Old Business – Basketball Court Resurfacing**

Charlie Johnson is still trying to find other bids – we only have one for the asphalt from Arnt Asphalt. They still want to try booking the job for this spring. Optimally they'd like to sign the contract in January. Charlie Johnson will update the board in December but feel they are at the mercy of contractors. Arnt's bid is \$20,000 for the asphalt and \$5,000 for the backboard and

accessories. Arnt has also been taking care of the tennis court.

Larry Bergman moved to accept Arnt Asphalt as a sole source provider bid with the condition that they complete the work before Memorial Day 2019. Patricia Craig seconded, all in favor, the motion passed.

If Arnt is unable to commit to finishing the project this spring, Larry and Charlies will keep looking for other providers.

**General Comments:**

Paula Flanagan thanked the Finance Committee for all the hard work on the budget.

**Cherry Beach Project**

The Cherry Beach Project raised \$1.1 million by the combined efforts of so many. They surpassed the \$1 million needed to qualify for the matching funds. A very large thank you to Art Anderson for alerting us to the opportunity and getting us involved.

Erin Kiehm expressed gratitude that budget approval has been finished in a timely fashion. It was a joy to finish it all tonight and easily. He appreciates that he's able to prepare his budget in fall when he has more downtime and more time to vet the items.

Erin Kiehm moved to adjourn the meeting, Charles Calkins seconded, all in favor, the motion passed. Meeting adjourned at 7:58 pm.

**Next meeting: Wednesday, December 12 at the VFW in Villa Park, IL at 6:30 pm.  
Immediately following, there will be a second meeting for the incoming 2019 board.**

Respectfully Submitted,  
MP McKenzie