

# Mangawhai Golf Club

## Finance Committee Meeting 19th June, 2025

**Date:** June 19, 2025 9:04 AM NZST

**Transcript:** [See full transcript](#)

**Audio:** [Listen to audio](#)

**Participants:** ianbaker2@gmail.com

**Duration:** 110 mins

### Overview

- Approved a communication strategy for two legal matters with a 70/30 expense split, ensuring legitimacy without case specifics.
- Fern Energy witnessed a 44% revenue increase due to diesel purchases, with a decrease anticipated in future years from electric lawnmower conversion.
- Secured a \$40,000 sign-on bonus and \$10,000 in capital goods for deck expansion, establishing a five-year contract against a competitor.
- Year-on-year revenue grew over \$40,000, but net profit increased only by \$2,500, highlighting margin erosion that necessitates a price review.
- Membership reached 79% of the \$635,000 budget target by May end; a six-monthly price review cycle is to be implemented.
- Retail team identified significant operational gaps, including unapproved purchase orders and low inventory turnover at 3x annually versus a target of 6x.
- Decision made to discontinue all corporate memberships due to abuse of guest privileges and rising conflicts among member groups.
- Long-term KDC plan extends to June 2027 with ongoing negotiations concerning subsurface drip disposal system governance.
- Transitioning internal processing to a dot golf system is planned, which will switch from \$50 annual fee to a \$2 monthly fee.
- Staffing adjustments include Jenny reducing her hours and Lisa Smith taking over payroll and administrative responsibilities.

## Notes

### Legal Fees and Communication

- Approved communication strategy for two separate legal matters with 70/30 split, avoiding specific case details while confirming expense legitimacy
- Lawyer suggested five-figure damages sum, matter resolved through proper solicitor process

### Facilities and Infrastructure

- Green keeper Noah offered apprenticeship with slight hour increase, backup South African candidate no longer available
- Parts ordered for hot water system repair, power outage timing coordinated to avoid Tuesday morning when 120 ladies present, generator backup planned for essential services
- Accessibility reports submitted for deck construction, only electrical wiring for exit signs remaining, sparkie work minimal cost

### Financial Performance Review

- 44% increase in Fern Energy due to diesel purchases for course maintenance, expected to decrease year-on-year due to electric lawnmower conversion
- \$40,000 sign-on bonus received plus \$10,000 in capital goods for deck expansion, five-year contract secured over Lion competitor
- Over \$40,000 more revenue year-on-year but only \$2,500 more net profit, indicating margin deterioration requiring price review

### Membership and Pricing Strategy

- At 79% target by May end (\$644,000 vs \$635,000 budget), timing variations normal, cumulative position strong
- Action item to review margins by product with Barry, implement six-monthly price review cycle rather than absorbing increases
- Three separate policies (material damage, vehicles, officers/directors) to be consolidated for better management

### **Golf Shop Operations Analysis**

- Retail team led by Ray Snooks and Craig Smith addressing product mix, pricing, and supplier diversification beyond Acushnet dominance
- Major process gaps identified - purchase orders created after delivery rather than before, no approval limits enforced, inventory turnover only 3x annually vs target 6x
- Three-month trial with events and logging to determine retention vs removal for retail space

### **Membership Management Issues**

- Placemakers likely withdrawing, decision to discontinue all corporate memberships due to abuse issues, particularly guest privileges
- Significant conflict between member groups affecting booking access and social dynamics, requires immediate management intervention
- Magnify added 42 members vs Waipu's 400, investigating competitive positioning and market factors

### **Operational Improvements**

- KDC long-term plan extends to June 2027, subsurface drip disposal system negotiations ongoing with governance concerns over contractor control
- Moving from internal processing to dot golf system (\$2/month vs \$50 annual fee), existing members to be contacted for transition
- EJ obtaining manager's license, Nadia and Greg to follow, ensuring proper coverage for all bar operations

### **Staffing Transitions**

- Transitioning Jenny to 2 days maximum for accounts only, Lisa Smith with bookkeeping background to handle payroll and administrative duties
- Jim away July 8-August 24, Ian Baker to chair next two meetings, budget meeting September 23rd at 14:00

## **Action Items**

**Ejaaz**

- ☐ Review bar prices and margins by product with Barry, make recommendations
- ☐ Consolidate insurance policies with Rothbury for annual renewal alignment
- ☐ Follow up on course watering control panel status and timeline with Paul
- ☐ Contact Summit and Carters regarding corporate membership discontinuation
- ☐ Complete membership capping paper for board submission this month
- ☐ Send group email to monthly payment members about dot golf transition
- ☐ Obtain manager's liquor license by Monday interview

**Jenny**

- ☐ Open maintenance expenses breakdown for next month's report
- ☐ Book budget meeting room for September 23rd at 14:00
- ☐ Remove Melanie from finance committee email group
- ☐ Coordinate staffing transition with Lisa Smith for payroll duties

**Ian Baker**

- ☐ Chair next two finance committee meetings during Jim's absence

**Jim**

- ☐ Complete budget preparation between August 22-September 18 return
- ☐ Present completed budget to board following September 23rd committee approval