

Elmira Golf Club Limited
Annual General and Shareholders Meeting
March 9, 2023 at The Grill at EGC

1.0 The meeting was called to order by President Ric Black at 7:37 p.m.

On behalf of the Board, Ric welcomed all attendees to this meeting which marks the beginning of a special year.

2.0 Approval of Agenda

Motion: The Agenda be accepted as submitted.

Moved By: Jeff Kelly

Seconded By: Mike Guardiero

Carried

3.0 Appointment of Scrutineers

Andrew Brubacher, Andrew Navickas and Jeremy Logel appointed as scrutineers, should a balloted vote be required.

4.0 Approval of Minutes from the previous Annual Meeting

Motion: The Annual Meeting Minutes of March 31, 2022 be accepted as submitted.

Moved By: Pat Bishop

Seconded By: Derek Hori

Carried

5.0 Financial Statements and Auditor's Report

Andrew Navickas of Pollard Gagliardi Navickas LLP presented the 2022 financial statements and Auditor's report for the corporation (emailed to both members and active shareholders). He welcomed any questions from the floor following each financial statement presentation. Then he outlined the steps taken for the audit, and stated that the audit was a fair representation of the balance sheet and operations of Elmira Golf Club Limited.

Looking at the Balance Sheet, changes in property and equipment can mainly be attributed to the irrigation project and new golf carts. Accounts Payable is down mainly because of some outstanding billing for the irrigation project. Andrew noted that extending the term loan last year was a good decision considering the current interest rates. Capital leases are high because of the cart buyout option at the end of the lease term in 2023. The CEBA loan will need to be repaid at the end of 2023.

Moving to the Statement of Earnings, Andrew mentioned it was a strong year for the golf industry as a whole with rising revenues as well as rising expenses. Wages, repairs and maintenance are the main reasons for increased expenses with inflation as a major factor.

Earnings from operations improved slightly over 2021, but total earnings were a little less because the Club no longer qualified for the CEWS wage subsidy.

Regarding the Statement of Cash Flows, Andrew noted that cash flows can fluctuate from year to year depending on when expense items are paid for. He stated that nearly all cash flow has been reinvested into the Club.

The Notes contain no changes to the accounting policies. Again this year, the Line of Credit was not needed.

In summary, Andrew concluded that the past year was a good one for the Club, and that it is in a good place financially moving forward. Andrew thanked Jeremy, Barb and the Board for their cooperation and ongoing work within the club.

Questions coming from the floor:

None

Motion: To adopt the 2022 financial statements.

Moved By: Ian McRae

Seconded By Mike Guardiero

Carried

Motion: To appoint as auditors for 2023 Pollard Gagliardi Navickas LLP, and to authorize the Board of Directors to fix their remuneration.

Moved By: Bill Traut

Seconded By: Carling Cisecki

Carried

6.0 President's Report

On behalf of the Board and all members, President Ric Black began by thanking Elmira Golf Club's 2022 management team led by Jeremy Logel and including Ben Bell, Adam Ferraro and Barb Charnuski. Partnering with John Tsintaris, who heads the Grill, they continued to make EGC a premier golf club within the region, and a great experience for both members and guests. Ric then noted that Barb Charnuski was retiring after 22 years of service and complimented her on her tireless support of the club during that time.

Andrew Brubacher was welcomed as EGC's new Office Administrator and members were encouraged to drop by and introduce themselves. EGC is also looking for a full-time Assistant Grounds Superintendent, supporting and reporting to Ben

Ric highlighted the two main course improvements last year: the computerized irrigation system and refurbished bunkers. He thanked members for their patience during the longer than expected irrigation project implementation. However, we immediately benefitted during last year's summer drought conditions. Golfers will also benefit for years to come from the refurbished bunkers with consistent sand and improved drainage. These were challenging projects but successfully completed thanks to EGC's dedicated staff.

Among things to look forward to in 2023, Ric commented on additional tee improvements including: #1 new Black and Silver tees, a completely reworked and enlarged #3 tee, and enlarged #4 Black and #12 Silver tees.

EGC will make more use of the capabilities of the computerized irrigation system this year. The irrigation system still remains susceptible to frost heaving and normal wear and tear. In response, some additional shut-off valves will be installed to isolate chunks of the irrigation system and facilitate quicker repairs. Members can assist by reporting to the Pro shop any small leaks they observe.

Ric thanked the “village-like” group of people who volunteer their time to EGC, contributing to its success. Included are the many members of the various committees, the Board’s directors and various individual members. Members were encouraged to speak to or email one of the committee chairpersons if they have some interest, or to communicate any ideas or questions. Committee experience was noted as good background for future directors.

The purpose, scope and membership of EGC’s committees will continue to be published and updated on the web site at: <https://www.elmiragolfclub.com/board-committees>.

Ric then highlighted each committee including an example of past or current activity:

The *Community and Public Relations Committee* initiated EGC’s first bursary this spring to a deserving Elmira District Secondary School graduate who will pursue additional post-secondary education or training.

The newly-formed *Compensation Committee* is currently reviewing a recent nationwide golf compensation survey and seeing how it applies to here.

The *Finance Committee* just completed a review of the irrigation project for the Board.

The *Greens Committee* is exploring where new trees should now be planted.

The *Member and Games Committee* along with its *Handicap sub-Committee*, is finalizing 2023 plans based on the participation in and success of the 2022 mix as well as member input.

Covid risks were seen to be well-managed, and as a result, that ad-hoc Committee was disbanded last year.

Ric thanked Paul Bauman for contributing his time, skills and material to build several new benches that will be positioned at various tees this coming season.

Finally, Ric outlined the new ONCA Compliance Committee (members include Pat Bishop, Bill Traut, Jeremy Logel and himself). ONCA is an acronym that stands for: Ontario Not-for-profit Corporations Act. Enacted by the Ontario government in October 2021, the legislation states that any social club can no longer be a Not-for-Profit *if it has shareholders*. EGC is not unique in this - there are several golf clubs in a similar position. We have five years to comply.

EGC’s Board considered the alternatives and, after seeking financial and legal advice, determined that the best path forward was to begin a process to cancel EGC’s shares. In January 2023 the Board passed a Resolution to that effect. While early shares were issued to raise capital or exchanged for in-kind contributions, most of the outstanding 1,215 shares were

issued as a sort of small initiation fee with each first-time membership. As part of the 'cancel process' EGC needs to hold a Special Shareholder Meeting to vote on the Resolution. This Special Shareholder Meeting is scheduled for October 11, 2023 and will be held at Lions Hall in Elmira. To comply with EGC's By-Law's a quorum of persons and proxies totaling at least 608 shares must be represented. This information and more will be added to EGC's web site and distributed shortly. Actual invitations to the Special Meeting itself will be sent out to shareholders a few months beforehand.

Ric noted that many shareholders have not kept their contact information up-to-date with us, likely due to low value of a share. Jeremy and others have been working diligently this past year get our shareholder records as up-to-date as possible - a challenging task. Shareholders and members were asked for their help by directing to the web site or to Jeremy any known past member/shareholder who may have changed their email address or moved.

The floor was then opened for questions:

Q: (Ian McRae) Is EGC going to buy back the shares?

A: The current plan is to cancel the shares without any monetary value.

Q: (Chris Adams) What if the 608 share quorum isn't reached for the Special Meeting?

A: Discussion could proceed, but not a vote on the Resolution. EGC would then consider going through the courts to get a waiver on the quorum. Bill Traut added that the courts could say that EGC has not done enough to find its shareholders and require more processes from us. So, we need to do our best now in order to have the court to recognize our efforts in finding shareholders.

Q: (Rick Trapp) Do you have a feel for how many shares we can contact now?

A: (Jeremy Logel) Shareholders representing 400-500 shares are known at this time. A quorum will be difficult but is attainable.

Q: (Ian McRae) How did you arrive at the no value amount for the share?

A: (Bill Traut) Our legal advice is that this is the best course of action based on history with other not-for-profit organizations e.g. OHA teams. A payout would hurt the business.

Q: (Rick Trapp) What if there is a quorum and canceling the shares is not approved?

A: (Pat Bishop) EGC can continue to operate, but as a for-profit with shares. In 1972 the club got permission from the government to become a not-for-profit organization because it could no longer operate on a for-profit basis. The By-Law's for the club were never changed during this time and this has become a problem. Ric noted that a few years ago the Club applied to a government grant program and was declined simply because EGC issued shares.

Q: (Ian McRae) Are there any certificate holders? Is there a difference between shares and certificates?

A: EGC has only issued shares.

Q: (Kyle Rank) What was value of the shares when purchased?

A: (Jeremy Logel) \$100 to \$150 depending on the when they were issued. No shares were issued after 2017. There was a \$1,000 initiation fee at one time, but the cost of a share was always \$150 or less.

Q: (Rick Trapp) How will some shares be treated compared to others (e.g. founders, etc)?

A: EGC only issued one class of shares. All shares will be treated equally.

Q: (Rick Trapp) Historically, some people that were granted a large number of shares would come back to the Club looking for compensation for their shares.

A: (Pat Bishop) This person has been dealt with by a past board and this issue no longer affects the club.

Q: (Kyle Rank) What issues do we see moving forward (e.g. Financial, legal)?

A: Andrew Navickas mentioned the 12.2% annual tax rate if EGC were a for-profit. The Club may also incur a huge capital gains tax if a deemed disposition is required in order to revert back to a for-profit organization (this issue is presently being researched).

Q: (Derek Hori) Have you considered using a third party to aid the process of finding shareholders?

A: (Bill Traut) Yes, but it was determined to be very cost prohibitive, especially given that most shareholders only hold one share.

Q: (Chris Adams) Are there other consequences of going for-profit?

A: (Jeremy Logel) It would cause a major shift in focus for the Board and the company. We do receive some financial breaks (e.g. advertising) being a not-for-profit.

Q: (Ian McRae) Is the Special Meeting date and time set in stone? Would it not be better to have it out of golf season?

A: We needed to book the hall and set a date in advance in order to inform shareholders. EGC will be closed for aerating that day, and it's after the Thanksgiving weekend so we're hoping more people will be available. Also people can submit their proxies in advance if they cannot or do not wish to attend.

Bill Traut commented that these were all good questions. The web site will have a Frequently Asked Questions page, so if anyone has new questions please let Jeremy know so we can continuously add to it.

As there were no further questions or comments, Ric proceeded to the next agenda item.

7.0 Election of Directors

Ric remarked on how well last year's directors had worked together and felt that they had accomplished a lot. As a result, he said he was pleased that every current Board member had agreed to stand for re-election to EGC's 2023-24 Board of Directors. The By-Law's allow for nine directors and he read out the names as follows:

Pat Bishop

Ric Black

Lee Clemens
Lester Heldsinger
Jeff Kelly
Michael Lanteigne
Clark McAlpine
Olivia Richards
Bill Traut

Ric asked for any nominations from the floor.

None were given

Motion: That the 2023-24 Board of Directors for Elmira Golf Club Limited be accepted as published and previously read above.

Moved By: Rick Trapp

Seconded By: Derek Hori

Carried

8.0 GM / Executive Professional Report

Jeremy opened by stating that 2023 is the Club's 60th year! He noted that past members would be proud of where the Club is today. And he is excited for the future of EGC.

New equipment additions to the Club this year include a sprayer, fairway mower and tow blower. As noted during the financials, EGC's power cart lease is coming due at the end of this season. Given supply issues, we have already committed to the new 2024 lease. Our current sixty carts will be replaced next season by sixty-five new carts, along with a new beverage cart. The new mainly-white carts will be a big improvement, and will feature GPS for the golfers as well as added Pro Shop control.

As part of our 60th anniversary celebration we will have new pins and cups, and two new sets of flags with a black and white classic look. New benches and tees were previously mentioned. New paving work near the first tee will reduce congestion while allowing more room for cart washing. A mobile starter/event podium is also planned along with a new bag rack.

There are plans to dress-up the landscaping at the course entrances, and gardens in and around the 1st and 10th tees will be improved. A grounds crew member dedicated to gardens is planned. A large two-sided Verdin clock with EGC branding will be showcased on the first tee, demonstrating the strength of the Club as we move forward. Other special items were on view for the attendees at side table afterward.

There will be some special events celebrating our 60th year, including a champions' dinner. EGC is honoured to be hosting the U17 boys and girls Ontario Championships this summer. At least two, and more if they qualify, EGC juniors will be competing. We will need about 40 volunteers to help during this time. EGC is also looking for sponsors for this event: Title sponsor, food sponsor, etc.

Jeremy mentioned that our “new clubhouse” is 25 years old after this season. While not as glamorous as course improvements, there are necessary costs to maintain our facility and its infrastructure. Jeremy noted our great team of staff at the Club and how everyone works together to ensure its success. He extended a warm welcome to any new members and new staff for this season. Spring and a new golf season is quickly approaching!

Questions coming from the floor:

None

9.0 Other Business

There was no other business, nor questions from the floor.

10.0 Motion to adjourn:

Moved By: Jeff Kelly

Seconded By: Derek Hori

Carried

Meeting adjourned at 8:56 pm.