

Board Brief

Designed for Club Board of Directors



CLUB MANAGEMENT ASSOCIATION OF AMERICA

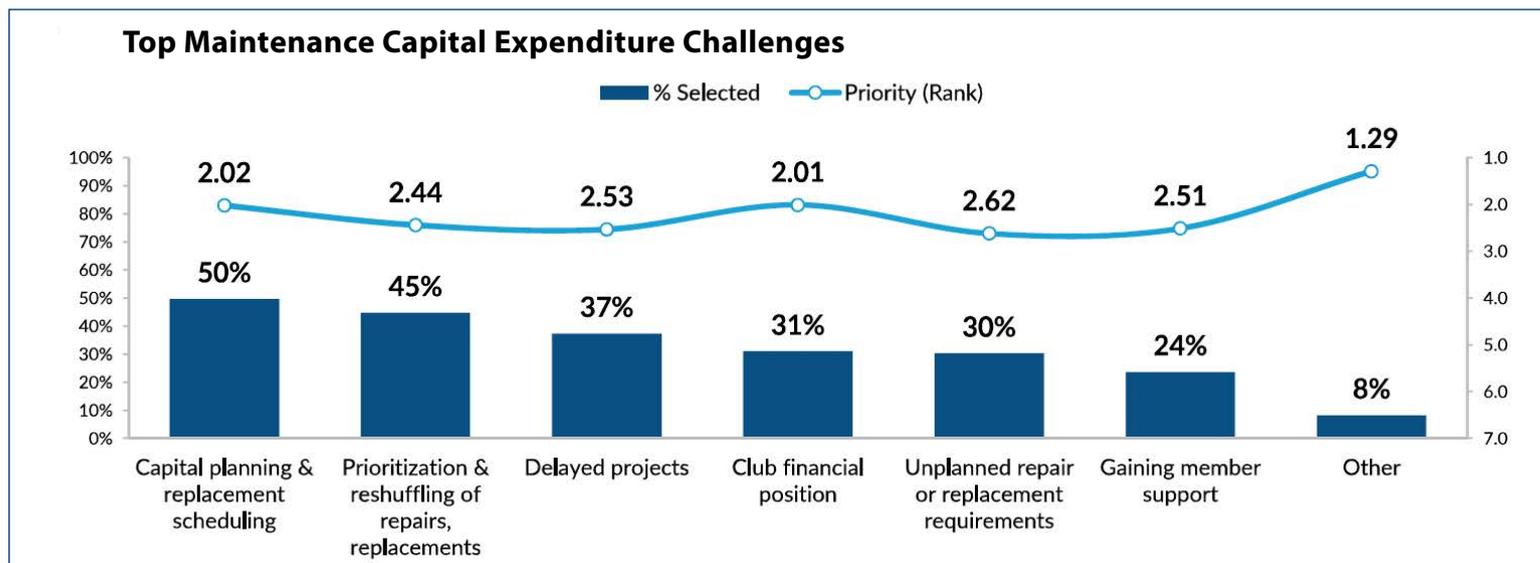
November/December 2021

By the Numbers: Club Leaders Identify Capital Planning and Long-Range Improvement Strategies

Unsurprisingly, planning, scheduling, and prioritizing repairs and replacements are top capital maintenance expenditure challenges for club leaders, according to the more than 500 Club Leaders responding to the 2021 Club Leader’s Perspective Survey, administered by GGA Partners in collaboration with CMAA. This report was designed to gauge the impact of the ongoing coronavirus pandemic on club operations and its ripple effects into 2021 and beyond, and the research results will help club managers and their boards better prepare for the next normal.

Continuing from last month, now we’ll look at data from the Capital Planning and Long-Range Improvement Strategies section in this edition.

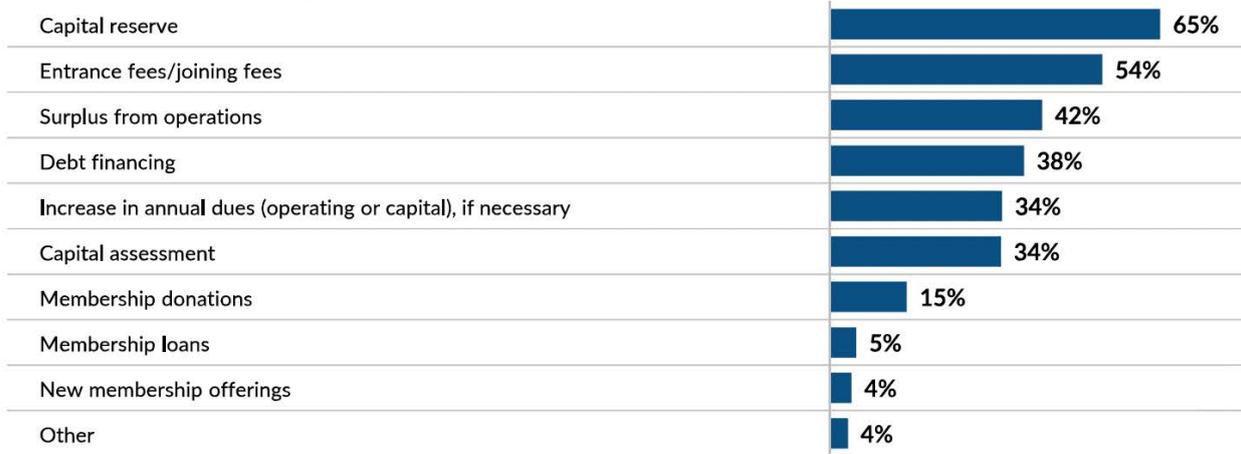
This report examines new and significant challenges relating to capital expenditures in two ways: capital maintenance and capital improvements. The chart below shows that capital planning and replacement scheduling as well as the prioritization and reshuffling of repairs and replacements are the most widespread challenges. Club financial position was indicated as the top priority.



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Funding Maintenance/Sustaining Capital Expenditures Going Forward

Percent Respondents



Moving through the pandemic, nearly two-thirds of club leaders are planning to fund capital maintenance expenditures using capital reserves. More than half plan to rely on the entrance fees and joining fees of new members. Just over 40 percent will look to operations surplus to fund these projects.

According to the managers surveyed, prioritizing, reshuffling, and arranging long-term financing are top capital improvement challenges. These are followed closely by project scope changes and delayed projects. These challenges

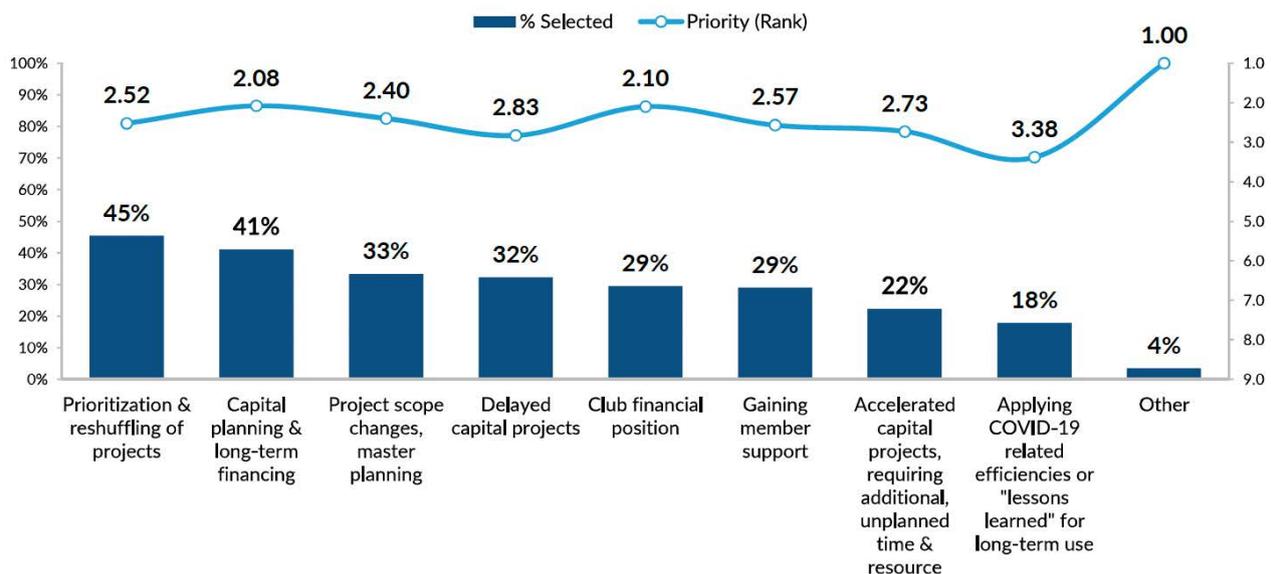
seem to relate to prioritizing and funding growth projects rather than pandemic-related timing, though.

Nearly 50 percent of club leaders are proceeding as planned with capital improvement projects – some on altered timelines. Only 9 percent have paused or canceled their planned projects.

Given the ever-evolving landscape of the COVID-19 pandemic and its changing impact on society, time will tell what the lasting impacts will be for clubs.

Source: Access the complete research results and key insights found in *A Club Leader's Perspective: Emerging Trends & Challenges* at link. Club leaders weighed-in on emerging trends and challenges across five primary areas: 1) industry outlooks and the ripple effects of COVID-19, 2) human resources and workforce demands, 3) the membership experience, value proposition, and programming, 4) capital planning and long-range improvement strategies, and 5) financial position, budgeting, and forecasting. Access at https://ggapartners.com/wp-content/uploads/2021/06/A-Club-Leaders-Perspective-Emerging-Trends-Challenges_GGA-Partners_2021-Research.pdf.

Top Capital Improvement/Growth Projects Challenges





Best Practices: Three Questions to Consider

Board meetings – whether in-person or virtual – are an important place for discussion, deliberation, and consideration of key club issues. As you explore the ways to best meet the needs of your current and prospective members, what questions should you be asking?

1. What are the latest societal trends? It is impossible to have a Board meeting today without mentioning the COVID-19 pandemic and its impact on trends – operating restrictions, a tighter labor market, staycations, work from anywhere employment, and increased demand for outside sports activities and dining. At other times, your Board might be discussing more interest in multigenerational family time, focus on health and wellness activities and food and beverage preferences, and changes in communications technology like the explosion of cell phones and the use of social media.
2. What is going on in our local community? Assess the patterns in your local community. Are more younger families moving in? Are retirees relocating? Are businesses expanding or contracting? Is new housing being built? Are there new restaurant, hospitality venues, gyms, or recreation studios opening with different offerings? What are the local competitors in the marketplace, beyond other clubs?
3. How do we align today's local climate and trends with what our club can provide to meet our member's interests? Keeping in mind what you have observed and explored, your club Board can better react to and forecast what potential members will be seeking today and in the future. These discussions will include short-term programming tactics as well as long-term planning which might necessitate capital improvement and investment in additional staffing.

Considering these three questions will ensure your Board focuses on the sustainability of the club and its relevance to current and prospective members.

Legal, Legislative, & Regulatory Update

Court Decision Leaves WOTUS in Murky Waters

In August, the 2020 Navigable Waters Protection Rule (NWPR) was vacated by a federal District Court in Arizona, effectively dismantling the rule nationwide. The NWPR provided clarity about what waters fall under federal vs. state jurisdiction and instituted clear rules for property owners. It has been in effect and enforceable in most states since June of 2020.

Following the ruling, the Environmental Protection Agency (EPA) has indicated it will return to using the pre-2015 rules for enforcement and implementation.

Meanwhile, the EPA is continuing its rulemaking process to officially repeal the NWPR rule this fall. In June, the EPA first announced its intentions to revisit the definition of the Waters of the US (WOTUS) by initiating a new rulemaking process to restore the definition in place prior to the implementation of the 2015 WOTUS rule and ultimately develop a new rule to establish a “durable definition” for the future.

During the month of August, the EPA solicited general comments about the rule and gave interested parties 30 days to respond. CMAA participated in the process as part of the Waters Advocacy Coalition.

The entire process leaves property owners, including clubs and golf courses, with a lack of clarity moving forward.



CMAA News & Announcements

CMAA World Conference and Club Business Expo Returns

Our World Conference returns to its in-person format to maximize networking, present stellar business and industry experts, foster interactive forums for your biggest challenges, and build and further our industry. Club management professionals from around the world will gather February 19-23, 2022, in San Diego, CA at the only annual event focused on the business of running a club. The industry's largest annual gathering provides a multitude of opportunities for club management professionals.

Find new talent for your club and mentor future industry leaders

CMAA's on-site career resources offers you the opportunity to post club openings and engage directly with attendees. Further, participate in the Career Opportunities & Mentoring Showcase to highlight your club and meet directly with hospitality students from CMAA's more than 40 student chapters who are seeking internship and entry-level positions.

Gain new ideas and insights for your club

With more than 70 educational offerings across all areas of club operations, club management professionals can learn from industry experts and key practitioners. Attendees can also create their own think tanks with Open Space and tap the wisdom of fellow managers. Additionally, the Idea Fair offers club tested solutions for events, holiday programming, staff management and incentives, membership development, communications, and much more.

Source solutions for your club's challenges at the Club Business Expo

The two-day Club Business Expo, Monday, February 21 and Tuesday, February 22, provides an opportunity to explore products and services offered by more than 270 companies showcasing industry leading trends and innovations. Nearly every product and service that your club could need, from club technology to spa services, is showcased in the Expo.

Early registration discounts apply through December 13. Learn more at cmaa.org/conference.

The Board Brief is a publication of the Club Management Association of America. Founded in 1927, the Club Management Association of America (CMAA) is the largest professional association for managers of membership clubs with 6,800 members throughout the US and internationally. Our members contribute to the success of more than 2,500 country, golf, athletic, city, faculty, military, town, and yacht clubs. The objectives of the Association are to promote relationships between club management professionals and other similar professions; to encourage the education and advancement of members; and to provide the resources needed for efficient and successful club operations. Under the covenants of professionalism, education, leadership, and community, CMAA continues to extend its reach as the leader in the club management practice. CMAA is headquartered in Alexandria, VA, with 42 professional chapters and more than 40 student chapters and colonies. Learn more at cmaa.org.