

## IN Good Company

# Board of Governors Report

FALL 2023



### FROM THE CLUB PRESIDENT

**C**OUNTRY CLUB of Detroit began 2023 in a position of strength regarding our finances, physical plant and grounds condition, membership pipeline, the management team, and general culture. We, as a Board, concluded that this was a unique opportunity to build on our strengths, minimize risk, and establish a strong foundation for our Club's future.

During our strategic planning process, we identified key risks that were important to address. We then identified, quantified, and defined our Regular Capital Requirements, Necessary Club Infrastructure, and Aspiration Capital. Our challenge was to determine how to fund these requirements over time in the face of accelerating inflation while maintaining an exceptional Club experience for our Members. We concluded that a \$125 monthly capital fee, coupled with higher initiation and transfer fees, could adequately fund annual depreciation without expanding our membership roster.

Our financial performance remained strong in 2023. The Club ended 2022 with record revenue of \$14,738,000 and our forecasted revenue for 2023 is \$15,223,000. Our long-term debt is on schedule to expire by Q2 2026. We have over 65 prospective members in the queue, and our Member attrition rate is an industry-leading 1.5%; the industry

average is 5%. However, inflation has had a significant impact on our operational costs and profitability. While we expect a 2023 operating profit of 180,000, or 1.2%, in 2023. The 2024 budget forecast is an operating deficit of \$417,000, resulting in the proposed dues increase of 7%.

We have some great momentum coming out of 2023. Our memorandum of understanding with the City of Grosse Pointe Farms to provide an economical long-term source of untreated water is on track to begin the fall of 2024, which provides an opportunistic time to invest in our new pumphouse and proposed irrigation system for the golf course. The new pickleball courts have been a fantastic addition to the lower campus and our racquets offerings. We expect to hire a new full-time Director of Racquets this winter who will bring fresh programming to our entire racquets experience. New, more modern golf simulators are also scheduled to be installed in the Day Camp Building.

Provided we have an affirmative vote for our capital fee and dues, CCD will be in a strong position to absorb and withstand economic headwinds. We can preempt emergency spending and tactfully reevaluate and explore the 2022 Way Forward plans. The Board and Director of Agronomy Ross Miller will continue to evaluate the Championship Course greens and determine the best course

of action for improving our golf experience.

I have really enjoyed working with all the past and current Governors over the last six years. I as-

sure you that all have contributed to the betterment of our Club. We should all be thankful for their service. This past year, Andy Martin and the Finance Committee have been instrumental in providing guidance for our financial planning. The Membership Committee, led by Joe Curtis and Jay Lambrecht, have made subtle but very significant changes to our membership process that should endure for many years. The general guidance from Jim, Dan, Chuck, Jamie and Tom has been invaluable to me and the collective decisions we have made as a Board.

It has been an honor to serve as President of Country Club of Detroit. This Club has been a part of my life and extended family for nearly three generations. I am thankful for this experience and grateful for the support offered by you, the Members. I truly believe that the Club is on a firm foundation for the future and I am hopeful that my service will positively impact your families experience for many years. ■



Wm. Scott Crane



Joseph J. Curtis, Jr.

**THE CLUB'S FACILITIES** and amenities continue to improve and are a significant draw for prospective members. We currently have a healthy pipeline with 67 prospective members waiting to meet the Board and 29 Members on the waitlist to transfer to a golf membership. The Active Golf membership is full and Social is close to capacity. As a result, the Board has slowed down the process of meeting candidates and we are meeting solely based on a one-in, one-out policy. As of the date of the Annual Meeting, the Club has welcomed 13 new Member families this year. This is significantly lower than in years past, but we feel it has been the right thing to do to maintain our membership experience.

This year, our Membership Committee was committed to reviewing policies, initiation fees, and strengthening our membership process. The following is a list of areas that the committee addressed to ensure that we are welcoming candidates that will add to the club's values and history.

### Membership Process

- The Sponsor proposal process will be included with Member requests for a candidate proposal.
- A guideline for the support letters has been established for a better knowledge of how the sponsor and endorsers know the candidate, i.e., relationship, knowledge of candidate, character, and family dynamics.
- The posting e-blast to Members of candidates who have met the Board will include the candidate and spouse's business, home address, family photo, and the names of sponsors and endorsers.
- An updated Candidate Proposal for Membership has been created that requires information for better vetting of candidates.

### Initiation Fees

The recommendation to raise the initiation fees is based upon the amenities and value offered at the Club.

- **Non-Resident Memberships:** The three Non-Resident membership categories were reviewed: Legacy Non-Resident (LNR), Non-Resident (NR) and Temporary Non-Resident.
- **Legacy Non-Resident:** A recommendation was made and approved to increase the initiation fee, remove the dues credits, and when moving back to the area, allow for transfer to a Social category if there are no vacancies in Junior, Intermediate, or Golf.
- **Non-Resident and Temporary Non-Resident Members:** A recommendation was made and approved to transfer Member to their previous category when moving back to the Active Territory.

Our culture is unique and we are proud of how important it is to preserve. We urge you to introduce individuals who you feel will be "In Good Company." It is critical that we adhere to our long history and tradition of proper introduction and vetting of prospective Members. We appreciate this diligence by our Membership, as your referral letters are invaluable in our process.

I want to sincerely thank those Members who have introduced a new Member to the Club in 2023 and my sincere thanks to the Membership Committee for their commitment and thoughtful involvement to the process. I would also like to thank Laura Tumbarello for her devotion to the Club and our Membership. She works tirelessly to help us maintain the continued excellence of our traditions and integrity of our Membership. ■





R. Andrew Martin, Jr.

**THE CLUB CONTINUES** a trend of year-over-year improvement in revenue. Through July, the CCD generated revenue of \$8,818,813, up \$403,546 from budget and \$762,119 versus last year. Our full-year revenue forecast is \$15,207,996 versus the budget of \$14,804,450. Member dues, food and beverage sales, golf, and bowling all had increased revenue in 2023. However, as should be no surprise to anyone by now, the Club has experienced significant and continuing increases in operational expenses since at least the middle of 2021, accelerating throughout 2022, and stabilizing in 2023 at a new elevated norm. These increases are broad and

are impacting us in every area of the Club's operations. Just about everything needed to maintain our golf course and grounds has risen dramatically in cost. Most significantly, the Club's labor expenses, particularly for hourly and seasonal staff (again, in all areas of the Club), are up significantly.

*Member dues, food and beverage sales, golf, and bowling all had increased revenue in 2023. However, as should be no surprise to anyone by now, the Club has experienced significant and continuing increases in operational expenses since at least the middle of 2021, accelerating throughout 2022, and stabilizing in 2023 at a new elevated norm.*

## 2022 Capital Expenditures

We were able to start working on the pickleball courts in the spring of 2022 and continued into the mild beginning of winter, with the final finished project delivered to the Membership in early summer 2023. This year's updates include clubhouse and tennis area awnings, as well as new carpeting in the St. Clair Room and the Main Dining Room. We continue to benefit from our own maintenance staff's unique capabilities and are fortunate to benefit from their unrivaled woodworking and finishing expertise.



## Long-Term Debt and Initiation and Transfer Fees

By December 31, 2023, without additional principal payments, the Club's total long-term debt will be reduced to \$1,944,342. Current Phase II notes are scheduled to be paid off no later than early 2026. While 2021 was a strong year for initiation and transfer fees, these fees fell significantly lower in 2022 at \$567,074, and are projected to be \$551,500 in 2023. This trend is expected to continue over the next few years. The reduction is the direct result of the Board's decision to cap access to the golf course at current levels through careful management of the new member process. Interest in our Club remains very high, and we continue to maintain a pipeline of potential members. However, constraining new initiations has and will keep initiation and transfer fees at a lower level for the foreseeable future. Initiation and transfer fees comprise most of the funds used for regular capital expense items.

The Club is rebuilding the capital shortfall associated with noted reductions in initiations and transfer fees by introducing a \$125 monthly capital fee. This will allow the Club to raise \$777,060 in capital funds. Currently, the Club's quarterly capital fee of \$125 generates \$395,220 annually.

## Dues Increase

The Finance Committee's budget subcommittee has reviewed the Club's expenses and budget for 2024. They have recommended, and the Board of Governors has approved, a request for a 7% dues increase next year. While this is the second year with an elevated dues increase, the inflationary environment, which started in the 2020/2021 timeframe, will not allow the Club to provide the level of service expected by our Members without keeping pace with rising costs and allowing dues to more accurately mirror the persistent inflationary environment. When viewed as cumulate and compounded, the Club's dues have increased by 23.26% from 2019 to 2024, while the rate of inflation has been 26%. As proposed, the 2024 Active Golf dues will go up by 7% from \$901 to \$964. However, if adjusted for prior years' inflation rate, the dues would be \$985.

We would like to thank the Members of the Finance Committee for their service and dedication to our Club, and our Members for their continued support. ■





Dr. Charles J. Shanley

**WITH A FULL MEMBERSHIP** in most golf categories and changing demographics regarding family participation, expert management of golf operations based upon Member feedback is essential to ensure a best-in-class experience.

In terms of total rounds played, management projects that CCD will finish the 2023 season at approximately 23,500 rounds. By comparison, the average for the 5-year period 2012–2016 was approximately 15,212 total rounds. Management continues to actively monitor tee sheet activity to ensure consistency of Member access. Operational policies that have been implemented include:

- Added “No Guest” windows on Tuesday through Thursday from 12:00 to 1:00 pm.
- Expanded “No Guest” windows on Fridays from 11:00 am to 2:00 pm.

These policies have dramatically improved Member access to the tee sheet on a more consistent basis. With a guiding principle of enhancing the

Member experience, the Golf Committee and management will continue to monitor tee sheet activity and utilize Member feedback to guide operational decision-making.

The Wednesday Night Men’s League remains the most popular event on the Men’s Golf calendar and most scheduled events field near-capacity numbers of participants. Signature events such as the Men’s Invitational are consistently oversubscribed; however, the transition to a two-day Chapman Cup now affords the entire Men’s Invitational waitlist and all active Members an opportunity to enjoy a Member-Guest experience. Participation in the Women’s Member-Guest continues to grow and participation in all events remains robust.

I want to thank the entire golf staff for their tremendous effort and superb results throughout the 2023 golf season. I would also like to share my sincere thanks to the members of the Golf Committee for their commitment, counsel, and advice as we strive to provide a superb golf experience for the Membership. ■

## GREENS



Daniel C. Watson

**AS THE 2023 GOLF SEASON** comes to a close, I would like to take a moment to thank our entire greens and grounds team for their outstanding efforts and accomplishments over the course of the season. Mother Nature threw some hard punches throughout the season, and the team took them in stride to produce a world-class product for the Membership to enjoy.

Our agronomy team worked on a myriad of course improvement projects throughout the year, including additional drainage in our toughest areas on the course: nos. 4/5/13 fescue and nos. 16/17 fescue. These drainage efforts will help to keep the areas dry, clean of weeds, and will maintain the same aesthetic and playability value in those areas as the

other fescue areas throughout the property.

Tee re-squaring and bunker renovations have continued to be an ongoing focus through a consis-

tent approach to keep these areas aligned with how they were re-constructed in the 2010 renovations.

Additionally, a large focus for the agronomy team this year was a collaborative effort on many items for the pickleball court construction, helping to bring this new amenity to life. Without the team’s attention to detail, many of the items of tasks associated with the project would not have been completed in the first-rate fashion we now see in that facility, nor within budget.

Most importantly, though, was the implementation of a program for measuring key performance indicators (KPIs) by the agronomy team. KPIs are metrics that evaluate the playability and performance of the greens on the Championship Course. Routinely collecting and analyzing this data allowed the team to optimize playability on a daily basis — which has not been seen thus far since the greens were re-built in 2010. The team will continue to use these metrics moving forward, as well as expanding on them, to provide valuable, in-the-moment information, helping to continually fine-tune and improve the playability of the surfaces year after year. ■

*By implementing a program for measuring key performance indicators — or KPIs — the agronomy team has been able to make data-driven decisions, helping to continually improve the playability of the golf course.*

## HOUSE



James H. Dingeman III

*Numerous improvement projects in the works, all of which will enhance the Member experience.*

**WITH A GOAL** of enhancing the Country Club of Detroit Membership experience, and in collaboration with the Board of Governors and the Club's executive management, the House Committee provides recommendations to the Board in matters pertaining to interior decorating, housekeeping, house rules, art, and archives.

### Pickleball Facility

As reported in the spring letter, CCD opened its six-court facility on July 14, 2023 with some 250 Members in attendance. In sync with the Racquets Committee, the House Committee proposed a no-guest policy for year, aiming to offer as much Member access as possible. The courts have seen a great amount of use; both Committees will re-evaluate the guest policy for the 2024 season.

### Porch Updates

The screened-in Porch upgrades are awaiting final

construction documents to start the transformation to a four-season space.

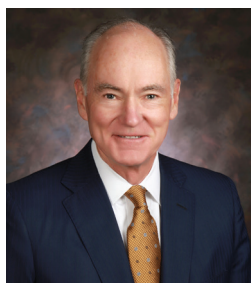
### Archive Room

As the new Business Center and Archive Room was completed, the old Archive Room began undergoing in-house construction to create a second-floor private dining space. The Committee was presented with design samples to provide a recommendation to the Board. The newly renovated space will cater to parties of up to 14, adding another area to entertain a small group at the Club.

### Bowling Green Bluestone Patios

Slated to begin this fall, the Bowling Green patios will create two separate seating areas and increase overall Bowling Green capacity by 60%. The Committee recommended wrought iron seating similar to the Poolside Grille, as well as Adirondack-style seating similar to the East seating arrangement. ■

## SPORTS, HEALTH, AND FITNESS



Thomas C. Shafer

### Stingrays Swim Team

145 swimmers strong, the CCD Stingrays Swim Team had a very successful 2023 season. Western Golf and Country Club hosted the MICSA Finals from Friday, July 28 to Sunday, July 30.

Coached by Liz Nelson, Sandy Smith, Ben Van Vechten, Elizabeth McMahon, Chandler Bower, and Ginger McMahon, the team finished fourth overall, scoring 549 points with excellent team spirit and impressive individual fast times!

### A Summer Highlight: Pickleball

The Club's six new pickleball courts opened in July with an exhibition coordinated by Mr. Mike Shields. Additionally, Mr. Shields and Mrs. Standish captained an interclub evening versus the Grosse Pointe Yacht Club, where CCD took the win.

We plan to continue with our popular and traditional racquets programs, while trying new ideas and events to grow CCD's pickleball and paddle tennis offerings. We enjoy seeing juniors, adults, and families of all ages and abilities on the courts.

### Bowling

The 2022-2023 season was again successful for Lori Stefek and Lou Ray. Both players defended

their Club Championship titles against worthy opponents in Diane Smith and Guy Rau. Lori Stefek took Player of the Year honors, won the Women's Doubles title with Suzanne Liston, and performed exceptionally in the Ladies' Interclub against the Detroit Athletic Club, where CCD was victorious. Lou Ray boasted a 219 average on the Thursday Night Mixed league and had a high series of 763.

### Health and Fitness Center

The Fitness Center has again seen growth over the past year: personal training has again grown by 10%; massage by 14%; general visits by 14%; and group class attendance is up 10%. ■



INNER CIRCLE PHOTOGRAPHY

> The Pickleball Grand Opening Exhibition on July 14 welcomed 250 Members in celebration of the Club's newest amenity.

## SOCIAL ACTIVITIES



John W. Lambrecht, Jr.

*Be sure to read The Weekender for event news, and check the Club website regularly as we routinely update our social calendar.*

**AS THE SUN SETS** on another spectacular summer season, we reflect on the months filled with sunshine, laughter, and countless cherished memories. From May through August, our Club transformed into a hub of activity, offering a diverse range of summer-themed events and activities that made each day a memorable one.

Our Club remains committed to providing exceptional experiences and fostering a sense of community year-round, as we eagerly await the new adventures and memories that the seasons ahead will bring. A Member favorite, the **Feather Party on November 17** provides the excitement of Bingo but with a Country Club spin of prizes. It is then followed by our annual Thanksgiving Dinner Buffet. If you can join us for dinner, the Club also offers a Thanksgiving carryout option, so you can host your family at home.

This holiday season will feature our **Jingle Mingle on December 2**, the **Ladies' Christmas Luncheon on December 8**, two **Family Santa Brunches on December 3 and 10** and, finally, the annual **Christmas Eve Dinner**.

Our Catering Department and Social Committee are close to finalizing the 2024 calendar of events, and while many of our events over the past

year have been highlighted, there are plenty of other activities our Club offers our Membership in the coming year including our **Daddy Daughter Dance**, **Mother-Son Bowling**, and the **Back to the Club Party**. We encourage you to make your reservations early, as many of our holiday and annual events fill up quickly.

The heart and soul of our social gatherings lies in the remarkable and varied culinary delights we serve. We extend our heartfelt gratitude to Master Chef Brian Beland and our extraordinary culinary team for consistently delivering exceptional cuisine. Additionally, we'd like to express our appreciation to Catering Director, Christina Southers, and Catering Coordinator, Julia Seychel, who adeptly manage their multifaceted roles in orchestrating and bringing our events to life.

Feel free to call or visit the Catering Office if there is something you would like to see added to the lineup, as the Social Committee is always interested in new ideas and ways to grow and enhance our current events.

I urge everyone to look through the *In Good Company* publication and weekly emails as we are truly privileged to have such a variety of events offered for our enjoyment. ■

## COMMUNICATIONS



James R. Case

**IN 2023**, the Communications Committee focused primarily on high-level efforts, with particular emphasis on communications related to long-range planning and the proposed increase to the capital and initiation fees. These efforts were realized through multiple letters to the Membership, FAQ documents, a Town Hall meeting and presentation, our weekly e-newsletter (*The Weekender*), and our quarterly magazine (*In Good Company*). Member feedback has been positive and encouraging.

We continue to produce *In Good Company* entirely in-house. All writing, editing, art direction, graphic design, and mailing preparation tasks are executed by the Club's professional staff. The same is true for our email, website, and mobile app communications.

Year-over-year, our email open rates remain strongly above the industry average. This year, our open and click rates have increased slightly (34% and 10%, respectively), and the unsubscribe rate

has remained steady, with only nine Members choosing to opt out of Club emails.

Our data show that 66% of Members read Club emails on mobile devices, with the majority on iOS. This is an increase of 5% over 2022. As such, we continue to improve our optimization for mobile devices while also ensuring a seamless experience on desktop platforms.

In 2023, we have continued to publish *The Weekender* each Thursday. Several seemingly minor refinements to the newsletter, such as the inclusion of a table of contents with buttons linking to each interest area, have resulted in increased engagement. We have also introduced more interactive content, including a video series from the USGA, which has generated hundreds of click-throughs.

We look forward to continuously improving our products and services. Feedback is welcome and can be directed via email to Director of Communications Brooks Hoste at [bhoste@ccdetroit.org](mailto:bhoste@ccdetroit.org). ■



## 1897 FUND



Thomas C. Shafer

**MANY THANKS** to our Members who have contributed to the 1897 Fund, supporting our ability to deliver projects beyond the reach of our annual budgets. This is particularly important for our Club as we invest to maintain and enhance our grand campus and historic clubhouse.

I would like to acknowledge the dedication of the 1897 Committee and the work of Mr. Sandy Hudson for his advocacy of the Family Legacy Circle. This category creates an opportunity to recognize families for their lifelong commitment to the Club, past and present. We would like to thank the family of founding member, Mr. James Harrington Walker, for their contribution and commitment to the Club. Our 2023 goal is \$175,000 and to date, we have received 63% of that goal, thanks to the newest Family Legacy Circle Members.

Last year, the 1897 Society Members voted to develop the areas of the Bowling Green by installing bluestone patios to include plumbing, gas fire amenities, and furnishings. This project will also

include a bluestone patio near the Men's Locker Room. Additionally, the funds will be used for new mechanical windows for the porch, making it a four-season space for dining. The future project will be a bar adjacent to the Grille Room for golfers after their round, with the main goal of enhancing the Member dining experience in the Tavern by decreasing golf traffic.

The 1897 Society has levels of contribution and payment options designed to fit your preferred commitment; Family Legacy at \$25,000; President's Circle at \$5,000+; Governor's Circle from \$1,250 to \$4,999; and 1897 Society from \$750 to \$1,249. If you have any questions or would like to donate, please contact Membership Director Laura Tumbarello at 313.882.3212.

Since the inception of the 1897 Fund in 2013, Members have given over one million dollars to enhance our Clubhouse and grounds. Thank you for your generosity to maintain the traditions that have been instilled for over 125 years ago. ■

### COMPLETED 1897 FUND PROJECTS

The generosity of 1897 Fund contributors has enabled the Club to complete many projects that are now enjoyed by Members every day.

#### 2021

Porte Cochère, Valet Room, Architectural Lighting, and Front Desk Renovation

#### 2019

French Room Restoration

#### 2015

Purchase of 1954 Havemeyer Amateur Tournament Replica Trophy

#### 2015

Men's Locker Room Non-Wet Areas

#### 2014

Short Game Practice Area

#### 2014

Overnight Accommodations

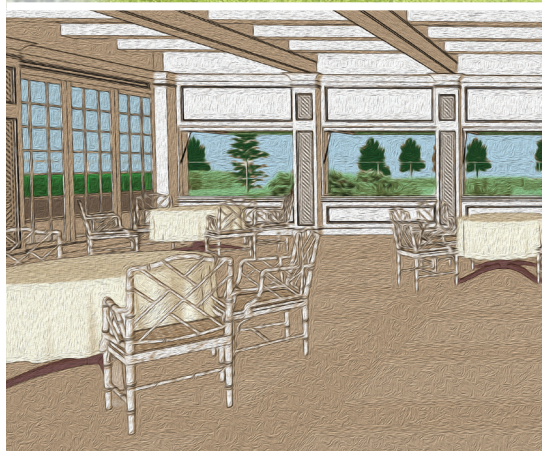
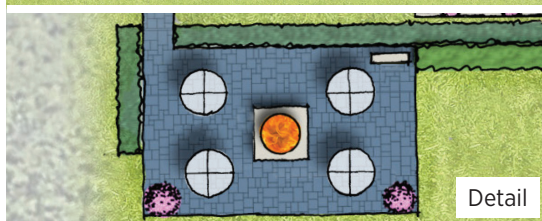
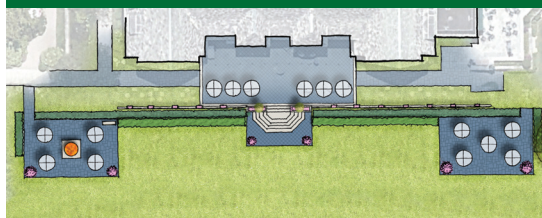
#### 2013

Ladies' Locker Room and Powder Room

#### 2013

Casual Dining in the Grille Room and Restoration of *Aqua et Interdictus* Mural

### UPCOMING 1897 FUND PROJECTS



### Identifying 1897 Projects

In the coming months, the Club will place *fleur de lis* plaques identifying areas that have benefited from 1897 projects. You'll be able to read more about this incentive in an upcoming *In Good Company* publication.

### Looking Ahead Fundraising is underway for the next 1897 Fund projects, shown in the renderings at the left.

Donations to the 1897 Fund will help finance the construction of two new bluestone patios, a new cigar patio located near the Grille Room, and new mechanical windows for the porch, turning it into an all-seasons space.

Please note that gifts to the CCD 1897 Fund are not tax deductible.



Country Club *of* Detroit

**COUNTRY CLUB OF DETROIT**

220 COUNTRY CLUB DRIVE // GROSSE POINTE FARMS // MICHIGAN 48236  
313.881.8000 // [www.ccofd.com](http://www.ccofd.com)