

David Mackesey and Hank Salvo

BoardRoom's 2015 Distinguished Club Presidents

"Sometimes," the old adage goes, "necessity is the mother of invention."

That's been the story for Diablo Country Club, a unique private club nestled at the foot of Mt. Diablo, just outside Danville in the East Bay region of San Francisco, CA.

And the achievements of the Diablo Country Club in the past couple of years have culminated in the recognition of the club's two most recent presidents – David Mackesey and Hank Salvo, as **BoardRoom magazine's Distinguished Club Presidents for 2015.**

Their achievements revolving around a scarce water resource – not unexpected for California country clubs – governance, a fascinating history, and updated board technology emphasize just how visionary presidents can work for the benefit of a club and its members.

"Through the efforts and leadership of Hank Salvo and David Mackesey, the colorful and rich history of Diablo Country Club has been brought to life. The results have instilled a new sense of pride amongst its members and achieved an elevated status as a club of distinction in the state of California," exclaimed Rick Steffens, long time Diablo member and a past president.

BoardRoom magazine this year is recognizing 22 Private Club Presidents of the Year – 2015, for practicing what they preach – leadership for the betterment of their clubs – board presidents or chairs who serve as the volunteer leaders of their club.

It's the eighth year the industry's top private club presidents have been honored by BoardRoom magazine for their outstanding work. Including the Distinguished Presidents, there are three double entry recipients being honored this year.

"More than 400 applications from clubs in several countries flooded in this year. Including our distinguished presidents, there are 22 board presidents representing 18 clubs from around the world that we're honoring for 2015," explained BoardRoom magazine's publisher and CEO John Fornaro. "Our selection of the top 22, including David Mackesey and Hank Salvo as our Distinguished Club Presidents, signifies another successful search for leaders who have contributed so much to their private clubs and their member experience."

"Our firm continues to assist BoardRoom magazine in the quest to identify some of the top club presidents," expressed Dick Kopplin, partner in Kopplin and Kuebler, LLC with Kurt Kuebler. The firm continues as one of the major supporters of this BoardRoom magazine recognition program.

"It is encouraging to see how many of these club presidents recognize the need, today more than ever, for engaging qualified general managers/chief executives to lead their private club management teams.

"As one club president explained to me, *'We didn't see the last downturn in the economy as a reason to scale back our services at the club, but rather an opportunity to encourage our talented general manager to engage his creativity and leadership. The results have been more than we could have hoped for. Our participation at the club actually went up and memberships increased in all categories as members understood the value of private club membership. That's the benefit of having a strong executive in the GM/CE role,'*" Kopplin related.



Pictured left to right:
Former Diablo Country Club GM
Larry Marx, Board President David
Mackesey, Diablo Country Club GM
Frank Cordeiro, Board President
Hank Salvo

"Club presidents are also embracing the concept of strategic planning, not just for capital asset purposes, but as a way of thinking about governance and operational issues at the club," injected Kuebler.

"Many club presidents realize that the purpose of a strategic process is not to produce a plan but to produce results, and they are engaging an annual process to keep the board focused on the most important priorities.

"Additionally, club presidents, leading progressive clubs, understand the value of the ongoing education and development of their GM/CE and other key department managers. They support the work of CMAA and take an active interest in the programs, data, trends and publications relevant to the private club industry," commented Kuebler.

"BoardRoom magazine continues to provide a valuable service in recognizing these unpaid volunteers who serve as club presidents and who continue to better their clubs for the entire membership," added Kopplin.

VISIONARY LEADERSHIP

"This has been an intense and very successful time for Diablo Country Club," exclaimed Fornaro, "and much credit goes to these two presidents, working in tandem over a period of years, for their vision, insight and leadership in tackling specific issues that undoubtedly will impact the club's future, engage its board of directors, and foster a spirit of cooperation among members. It certainly enhances the club's member experience."

Club governance can be either an impediment or the road to excellence, and that's where it started for Larry Marx, previously Diablo's general manager, now general manager at Bellerive Country Club, outside St. Louis, Missouri. Frank Cordeiro has succeeded Marx as Diablo's general manager.

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During Marx's tenure, the club successfully changed the governance model, now focusing on two-year terms for president.

David Mackesey served as club's president 2013-14 with Hank Salvo taking over in 2015. He's finishing the second year of his term this year, as well as chairing the club's water committee, with its daunting task of finding water resources for the club.

"Shortly after my arrival in 2008, the board of directors made it a 'best practice' instituting two-year terms for presidents and followed that throughout my tenure," Marx related. "Before that the club did not have two-year consecutive presidents terms. As a result each president took on a strategic project." In other words, the continuity of governance was missing, something that's changed with two-year terms.

"We also instituted an all-day eight-hour orientation and tour for incoming board members, and the nominating committee follows the best practice of nominating only the number of directors for the number of available seats on the board."

The club also started committee orientations and best practices for committee replacement. The club's committees have a clearly defined role in that they are advisory to the board and make recommendations only. A chair and co-chair from the board heads each committee, ensuring good succession plan for committee chairs whereby the co-chair becomes chair the following year.

The board holds a two-day strategic long range planning retreat each year. The strategic plan is reviewed, strategic goals are established and the GM/COO's role is reviewed with emphasis on the fact the GM runs the club's daily operations with the board of directors in charge of policy and long-range issues.

GOING DIGITAL

There's another aspect of the board's operation that GM Marx helped streamline.

In preparation for monthly board meetings, an agenda is developed. In the past, board binders were collated...with documents, letters, contacts, committee reports etc., equating to a couple of hundred pages per binder each month. As the year progressed, binders grew, massively and becoming hard to manage.

Management decided to go digital.

"We purchased iPads for each board member to be used for the board binder. All documents are now loaded to a remote server, and each board member using an ereader service can download and view the binder with ease. It took a little getting used to on both sides, but it was definitely the way to go," former GM Marx related.

Board members on their iPads now have easy access to the current board binder and any past/supporting items whenever they like. The information is held on secure servers and password protected so information is even more secure than the physical binders, and it's more efficient and economical for Diablo Country Club.

As David Mackesey says, "Our job is to hire a great GM and get the hell out of the way." In other words, micromanagement be gone.

FASCINATING HISTORY

The club's history has also been an impetus for change, spearheaded by Mackesey, to the benefit of the club's members.

Opened 100 years ago as California's original family oriented golf club, Diablo's traditions of excellence and sportsmanship for generations of members have stood the test of time. The club's founder Robert Noble Burgess converted the grounds, originally an 1874 country estate for the families of railroad barons and gold mining icons, to a world-class golf and country club in 1914.

For decades there had been a debate over who designed the club's original course – Willie Watson or Jack Neville. Information has been more easily found about Watson, but there's still been evidence suggesting Neville as the original designer.

With the club's 100th anniversary approaching in 2014, the club's board, in 2010, decided to publish a history book. While searching about information about the course designer, president Mackesey "uncovered a much larger story than ever imagined."

The real journey was about to begin as Mackesey volunteered for the task of producing the club's history book...a project that would take three years, lead him down many paths he had never walked before, and resolved the designer question.

It seems Diablo is the only course in the world designed by both Neville and Watson. They each designed nine holes at different times, just before designing the iconic works at Pebble Beach and Olympic Club.

The club began collecting photos, stories, and information related to Diablo's history from everywhere including the founding families. "Members were asked to share their stories, documents and photos with us, and we quickly acquired an archive of over 1,000 items," explained Marx.

"David Mackesey poured his heart and soul into finding out everything he possibly could about Diablo Country Club, and all the families

that had passed through over the years. Needless to say, Diablo is in a much better position today than it was before all this started.

“Now Diablo is no longer a club that is over 100 years old, it is a club with over 100 years of history,” Marx added.

“The farther back you can look, the farther forward you are likely to see,” Mackesey expressed. “It sets a tone for decision-making, and brings greater meaning to our traditions. It sets us apart from other historic clubs and from newer ones. It clarifies the brand and clarifies our guiding principles.”

After an exhaustive research effort, tacking stories on the clubhouse walls for members to read, and partnering with member families as financial sponsors, it all culminated with the club’s Centennial celebration in 2014 and delivery of the club’s history book to all members in December 2014.

“Everything seems to mean much more when members pour their hearts into their club,” remarked Mackesey. So with an accurate, important and relevant history program, member families and their guests enjoy a quality experience that is uniquely Diablo, all because of questions raised about who designed the club’s original course.

SCARCE WATER

Water, as with many clubs around the country, is an issue for Diablo Country Club. Recent increasing water use restrictions have been the impetus for Diablo Country Club, and the water committee headed by President Salvo, to initiate a project that is not only beneficial to Diablo, but emphasizes the club’s social responsibility and position as an outstanding community citizen.

As far back as anyone can remember water has been a scarce resource for Diablo. There are stories about pipelines being built to carry water in, and drilling of wells for water... all of which have been short-lived or unsuccessful projects.

As a result of Northern California’s drought in 2007-2009 (without consideration for the drought conditions in California today) Diablo experienced a 30 percent mandatory restriction in water use. So the club began to look at the possibility of recycled water for irrigation, meeting with local government agencies etc. to search for long term answers.

The club discovered that because of its location, the unincorporated community of Diablo was not included in the East Bay Municipal Utility District’s 40-year long-range plan for recycled water. What to do?

Diablo enlisted the help of knowledgeable members. As research was gathered, and California’s drought persisted, support for a Diablo water recycling project under President Hank Salvo grew.

“Hank is a superb example of the dedication of Diablo’s members, working within an effective governance system. This has allowed Hank the perspective and experience to effectively drive one of our biggest and most strategic programs ever, implementing an onsite recycled water project,” explained Jeffrey Miller, chair of the club’s nominating committee.

The club is now in the planning and design phases for the satellite water treatment facility on the club’s property. Diablo Country Club will receive effluent sources from the Central Contra Costa County Sewer District to be treated on club property.

“It is the first of its kind for private clubs – a privately funded, onsite water recycling facility project that secures a reliable and sustainable

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water source for future generations and conserves valuable potable water for our community. Other projects that we’re aware of serve a different purpose and exist in a multitude of other industries. Our project is unique both in its ownership structure as well as its purpose,” added Diablo’s GM Cordeiro.

“We are working with local and state agencies on a partnership that will result in a benefit for the club and community. Completion target date is 2017, but that’s subject to change.”

The plan is in the final stages of due diligence before a member vote. If approved by Diablo’s membership, the satellite recycling water facility becomes a multi-million dollar investment, likely paid for by generations of members over the useful life of the project...about 40 years.

But as it is with water resources today, this is not necessarily about cost savings, but a long-term sustainable source of water the club owns 100 percent. Over time, cost savings will kick in.

“The club’s commitment to this project is driven entirely on the basis of sustainability and water conservation,” Cordeiro explained.

Yes, sometimes necessity is the mother of invention, and that’s certainly an old adage proven true, under Diablo’s presidents Mackesey and Salvo. **BR**

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Distinguished

Presidents Lead Distinguished Careers

Boardroom magazine's Distinguished Club Presidents for 2016 – David Mackesey and Hank Salvo – can be recognized for their own distinguished careers, both with connections to California's wine industry.

Henry Salvo (pictured left) and his wife Nancy joined Diablo Country Club in 1990 and have lived in Diablo since 1998. They have two sons, Andy and John.

Now in the second year of his presidency, Salvo in past has served on the club's finance, long range planning committees and is spearheading the club's water recycling facility as head of the water and energy conservation committee.

Professionally, Hank is currently a partner with Scion Advisors specializing in helping family businesses through transition, primarily in the wine sector. He has also been chairman for the Patz & Hall Wine Company since 2005. From 2000 to 2005, Hank was Executive VP and CFO for the Robert Mondavi Corporation. Before Mondavi, Hank spent over 27 years with The Clorox Company in various financial and accounting roles including VP Controller and VP Treasurer.

Salvo graduated from UC Berkeley with a BS in finance and an MBA in finance from California State University, East Bay and has also served with a number of arts, education and economic advisory boards and foundations over the years.

David Mackesey has served on Diablo's finance, house, marketing and history committees, as well as his two-year term as president. David has been instrumental in uncovering Diablo Country Club's rich golf history, and oversees all aspects of its introduction to the membership, including the history articles for the Inferno, which he authors.

David is a partner and retired president of The Wine Group, Inc., the third largest wine company globally, measured by volume. The Wine Group owns and produces brands such as Franzia, Glen Ellen, Concannon, Almaden, Inglenook, and Corbett Canyon.

David Mackesey and his wife Lynda reside in Diablo.

Members of DCC since 2007, both are avid golfers. He graduated from the University of Wisconsin, Madison, earning his BA in Business with a double major in marketing and management. **BR**



2015 Top 22 Private Club Presidents of the Year

Private club board presidents play a huge role in the professional operations of their club as volunteers working diligently with their board of directors and general managers, striving for well informed, but not emotional decisions.

BoardRoom magazine's outstanding private club presidents for 2015 exemplify the focus on the leadership responsibilities, the accountability and the management of the board, while providing a healthy respect for the club's macromanagement.

They understand the importance of working, effectively and efficiently, with their volunteer boards and the dedication that's required from everyone with whom they work. They practice what they preach – outstanding leadership to maintain best practices and an extraordinary **member experience** for their members clubs.

These points are exemplified by the selection of 2015's **Distinguished Club Presidents, David Mackesey and Hank Salvo of Diablo Country Club in Danville, CA.**

Systems along do not insure a good board. Key elements include commitment, competence, diversity, collective decision making, openness, transparency, effective communication with management and the membership, fiscal responsibility, development and establishment of the club's mission, vision and policy direction, especially through establishment of a strategic plan. Successful board presidents draw upon the expertise of other board members, the club's institutional memory and stewardship of the club's resources. As well, board presidents provide new board members and future presidents with information they need to perform effectively as board members. **Congratulations to BoardRoom's outstanding private club board presidents for 2015.**

David Mackesey	Diablo Country Club	USA
Hank Salvo	Diablo Country Club	USA
Paul Basquin	Ballantyne Country Club	USA
Gail I. Bernstein	Greensboro Country Club	USA
Laura Biagiotti	Marco Simone Golf & Country Club	Italy
Rusty Cagle	The Thornblade Club	USA
Paul Douglas	Corning Country Club	USA
Dr. Bruce Haber	Fenway Golf Club	USA
Steven E. Heydt	Mizner Country Club	USA
Robert Kelleher	Yucatan Country Club	Mexico
John MacDonald	Kansas City Country Club	USA
Anthony J. Magdowski	Detroit Athletic Club	USA
Peter Miller	Ibis Golf & Country Club	USA
Greg Miarecki	Chicago Yacht Club	USA
Gregory P. Montanaro	The Union League of Philadelphia	USA
Heather Nagle	Ballantyne Country Club	USA
Frances Peck	Aberdeen Golf and Country Club	USA
Thomas Quirk Jr.	Huntingdon Valley Country Club	USA
Randy Sinnott	Jonathon Club	USA
Irwin Tepper	Wycliffe Golf & Country Club	USA
Fabio Virgilli	Marco Simone Golf & Country Club	Italy
Zhang Wei	Yalong Bay Golf Club	China



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