

Minutes of 126th AGM of Co. Louth Golf Club

Friday 11th January 2019

Chairman Richie Quirke opened the meeting and welcomed all present to the 126th AGM in County Louth Golf Club. He requested mobile phones to be switched off and pointed out the fire exits.

Notice of meeting was outlined and taken as read. The Chairman then requested a minutes silence for friends and members who had passed away during the year. He then read out the list of apologies and asked members for approval of attendance of Connolly Fee McGailey accountants.

The Chairman then asked if there were any matters arising from the previous AGM minutes, which as he pointed out had been posted on the club website. No matters were raised and Minutes of the 2018 AGM were proposed by Patrick Joy and seconded by Colm Berkery.

The Chairman then asked Neil McMahon (Hon Treasurer) to run through the annual accounts.

Neil took all present through a number of slides outlining the main components which made up the financial statements for the club to the 31st October 2018.

Introductory comments

The Treasurer thanked Liam Murphy and Marie Tormey for all the support they provided during the year.

The financial statements have 21 notes this year in comparison to 8 in the previous year. This was to provide members with a greater understanding and transparency on the financial workings of the club.

On cost control culture / tendering he said the club does have a cost control culture and the club, where possible, does tender for the purchase of various goods/services to get the best value for members.

The clubs machinery strategy which entails service/repairs as much as possible been kept in- house, replace old troublesome fleet, and where possible purchase to remove expensive annual hiring costs as outlined at the previous year's AGM was working and there was evidence of positive results in the 2018 numbers.

He mentioned that the rule that €100k not be spent on any single capital project had not been broken during 2018 hence there was no requirement to seek members approval for any components of the capital expenditure during the year.

In summary, he said income was slightly up, costs were down, surplus was up and cash had increased.

Income

The Treasurer then outlined the key income variances from the previous year.

- Subscriptions are down 20k on the previous year. This is largely explained by the 19 bereavements during 2017 and 7 ordinary members transferring to veteran status during 2018. On top of the normal level of attrition the club has not recruited enough new members during 2018. Hence the various motions in this area on various initiatives being brought to the AGM.
- Entrance fees – during the first six months of the year applications from new members were very slow to come in. Even though there is a 25k reduction on last year, it was encouraging there was a strong finish to the year. Also on a positive note there are 20 ladies now entitled to apply to become ordinary members. In light of the experience during 2018 this shows how important these initiatives are in recruiting new members.
- Green fees – the increase of 57k over the 2017 result gets the club back to where it was in 2016. The club dropped out of the top 10 of the influential Golf Digest rankings in 2017, but retained the number 9 spot during 2018. The rankings for 2019 have not been published yet.
- Driving range – a loss of 6k for the year was a poor result arising from equipment repairs. Perhaps this equipment is past its useful life given the experience during the year. The objective for 2019 is to break-even in this area.

Expenses

The Treasurer then outlined the key expense variances from the previous year.

- Rent – the course rent is €90k p.a. The five year rent review was 12 months ago and the landlord is seeking to increase the rent to €145k p.a. Over the last 12 months both parties have been in discussions but no agreement has been reached. It is likely this will have to be settled in court.
- Wages & salaries – the cost for wages and salaries includes 5% pension contribution and also employers PRSI of almost 11%. The increase above 2017 levels is due to the course manager starting in November 2017, and it should be noted that the club incurred no costs for external course consultants during 2018 (this cost was €27k during 2017).
- Committee expenses and functions/entertainment – during 2017 some annual functions were allocated to the Management Committee. In 2018 these costs

were booked in the functions/entertainment line. This explains the variance in these cost centres.

- Links maintenance – there is a substantial reduction in this cost centre due to better management, better procurement and the club pursuing less projects.
- Insurance – there is a lack of competition in the insurance sector for the golf club market and this has seen significant increases for the club over the last two years. The club managed to secure a second quote this year but this was higher than the incumbent so we renewed with them on 1 April. Overall the cost of insurance for the club is still slightly less than most other clubs are paying.
- Financial charges – this expense relates to fees the bank charges for cheques/payments to the clubs suppliers.
- Energy – there was a 45% increase in gas prices during the year and consumption levels were also up due to the long cold winter. Our electricity usage was also up due to the heavy use of the irrigation system during the summer.
- Sundry – the notes to the accounts contain the details, but specifically there is a €10k accrual for additional rent and legal fees.

While the club is reporting a surplus of €93k, if the accrual for the rent increase is too small then the real surplus for 2018 will be less.

Balance sheet

He discussed the balance sheet by explaining the key balances within debtors and creditors. As the information is outlined in the notes to the accounts, the details are not repeated here.

Cash flow statement

The Treasurer discussed the cash flow statement by saying that the club was cash flow positive for the year, and had decreased closing debtors and increased closing creditors, both of which are positive from a cash flow perspective.

Capital expenditure

The club incurred capital expenditure of €85k during the year, with €70k of this on second-hand equipment. He then showed the members a slide outlining the hire versus buy analysis that had been prepared prior to him signing off on these purchases. The analysis showed that in the past the club had been incurring significant annual hiring costs (e.g. for the rough management programme) and there is a near term pay-back if the club purchased the equipment instead. As a result the club proceeded with the purchases.

The Treasurer mentioned that any future capital expenditure on machinery would be subject to the same hire versus buy analysis, but would also need to be coupled with operational efficiencies e.g. less repair bills.

Cash

The Treasurer outlined the clubs cash position – both ring fenced cash to purchase the course and free cash.

He commented it was encouraging to close the year with more free cash than the previous year (€230k versus €130k). This was a key strategic objective to achieve during 2018.

On the ring fenced cash he commented that this money was earning no return, and likely losing its purchasing value over time due to inflation. Furthermore he mentioned the club had in the past deployed a strategy of holding this cash with various banks in order to maximise the availability of the €100k bank guarantee. However this was now proving to be a difficulty as some banks are unwilling to hold only €100k, without the promise of transactions on the account that would generate fees for the bank. For example he mentioned that EBS Building Society (now owned by AIB) wrote to Liam Murphy before Christmas requesting the club take back its €100k deposit before 31 March 2019. Hence the reason why he is bringing a motion concerning ring fenced funds to the AGM for consideration by the members.

2019

There is no sub increase for 2019 as the clubs operations for 2019 are well funded. Any plans beyond 2019 will require a separate funding analysis to determine whether a change in subscriptions is necessary.

On green fees, similar to our competitors there is an increase in the peak rate on Friday's and Saturdays as the market is prepared to pay a premium for access to the course on those two days. There is no change to the member guest rate, or the non-peak rates (i.e. winter and shoulder season rates).

The club is obliged to install six new fire doors downstairs at a cost of €25k approx. This is on the instructions of the fire officer. The purpose of the new fire doors is to provide better separation/containment between the kitchens and the rest of the premises, in particular the bedrooms upstairs. The club received five quotes as a result of tendering widely, so we are trying to contain the cost of this project as much as possible.

Cost control is the key focus as all businesses are experiencing increasing costs (e.g. wages, insurance, energy and compliance/regulations) and are seeking margin improvements in order to pass on these costs to their customers. The Treasurer mentioned that all of the clubs suppliers of goods and services will be seeking better margins in 2019. This will require ongoing management and tendering as wide as possible to control the clubs cost base.

The Treasurer closed the presentation by saying that cost controls are his main focus for 2019 so he is in a position to close next year with more free cash.

As there were no questions from the members the Chairman then asked for the adoption of the accounts and for the appointment of Accountants, Connolly Fee McGailey for the coming year. Proposed by Pdraig Duffy and Seconded by Harry Collier.

The Chairman then asked Richard Murray (Hon Secretary) to present the membership review undertaken in 2018.

Richard then presented the findings of the 'Membership Sub Committee' in which he highlighted the following areas:

- Approximately 91% of subscription income comes from Ordinary/Veteran/5 Day
- Within Ordinary we have 80 vacancies
- Within 5 Day we have 88 vacancies
- We have a high age profile within Ordinary membership
- Poor retention record in Ordinary and Junior categories
- Junior/Intermediate progression is extremely poor

The Chairman then read out the list of nominations for the Management Committee:

| OFFICE | NOMINEE | PROPOSER | SECONDER |
|------------------------|--------------------|-----------------|-----------------|
| Junior Convenor | <u>John McCann</u> | Deirdre Gray | Joe McLaughlin |
| House Convenor | <u>Patrick Joy</u> | Pat McCabe | Carlos McDowell |

With only one candidate for each position both were deemed elected.

The Chairman then called on the outgoing Captains to say a few words.

Carlos McDowell wished Judith and Paul all the best for 2019. She thanked all the members, officers and staff for their support during 2018 and wished the members good golfing for 2019.

Pat McCabe said it was a year he thoroughly enjoyed and acknowledged Chairman Richie and the new management structure. He thanked all the members, officers and staff for their support. He made special mention to the club teams and finally thanked his wife Jane for all her support during the year.

The Chairman then called on the incoming Captains to say a few words.

LADY CAPTAIN: Judith Clarke

She said it was an honour and privilege to represent the members of County Louth Golf Club. She looked forward to working with the new Management committee and said the Ladies Club would assist in whatever way is needed. She thanked the outgoing Captains Carlos and Pat for all their efforts. She then wished all the members good health and golfing for 2019.

Men's Captain: Paul Reilly

He said it was a great honour and privilege to be elected Captain of County Louth Golf Club for 2019. He said his main focus for the year will be communication with members and making them more informed throughout the year. He then wished all the members and officers a great 2019.

MOTIONS

The Chairman asked if Motions 1 and 2 could be taken together and as there were no objections the Hon Secretary read them out.

Motion 1 (2/3 Majority required)

To change the qualifying age criteria on (i) Junior Members as currently read;
i) Junior Members: The Management Committee shall have the power to elect Junior Members up to a maximum of 250 persons who have not attained the age of eighteen at the date of election. The parent or proposers, as the case may be, shall be responsible for the good conduct and behaviour of the Junior Member in question.

And amend to read as follows;

(i) Junior Members: The Management Committee shall have the power to elect Junior Members up to a maximum of 250 persons. Junior members shall have attained the age of ten and shall not have attained the age of nineteen by the 31st January of the year in question. The parent or proposers, as the case may be, shall be responsible for the good conduct and behaviour of the Junior Member in question.

Proposer: John McCann Seconder: Andrew Garvey

Motion 2 (2/3 Majority required)

To create a new category of membership 'Minor Members' to read as follows;
The management Committee shall have the power to elect Minor members up to a maximum of 50 persons. Minor Members shall have attained the age of six by the 31st January of the year in question. The parent or proposers, as the case may be, shall be responsible for the good conduct and behaviour of the Minor Member in question. Minor members are subject to conditions of membership as defined by the management committee.

Proposer: John McCann Seconder: Andrew Garvey

John McCann (Proposer) then proposed the motions. He said that the 2 motions were really a tidying up exercise as minor was grouped in with junior membership and yet both were different in terms of rights and privileges.

Andrew Garvey (Seconder) then seconded the motion. He agreed with John and also said that having the two categories would give better definition.

As there were no questions the Chairman then asked the members present, by a show of hands, to indicate those in favour and those against the motions.

The motions were carried.

The Chairman asked if Motions 3 and 4 could be taken together and as there was no objection the Hon Secretary read them out

Motion 3 (2/3 Majority required)

To change the qualifying age criteria on (k) Intermediate Members as currently read; "The Management Committee shall have the power to elect Intermediate members. Intermediate Members shall not have attained the age of twenty one years by the 31st January of the year in question."

And amend to read as follows;

"The Management Committee shall have the power to elect Intermediate members. Intermediate Members shall have attained the age of nineteen years, shall not have attained the age of thirty years by the 31st January of the year in question and shall no longer be in full time education."

Proposer: Richard Murray Seconder: Neil McMahon

Motion 4 (2/3 Majority required)

Subject to Motion 3 been passed the category of membership (I) Senior Intermediate Members is removed from the constitution and all current members in that category are transferred to Intermediate membership.

Proposer: Neil McMahon Seconder: Richard Murray

On proposing motion 3 Richard Murray (Proposer) pointed out some of the issues highlighted from the membership review. These included the age profile of the club and the lack of transfers from junior membership.

Neil McMahon (Seconder) agreed with the proposer and was happy to second the motion.

On proposing motion 4 Neil McMahon (Proposer) explained the changes around the transfer fee and loyalty scheme from intermediate to full membership. This would allow fairness for any existing members.

Richard Murray (Secunder) agreed with the proposer and was happy to second the motion.

As there were no questions the Chairman then asked the members present, by a show of hands, to indicate those in favour and those against the motions.

The motions were carried.

The Hon Secretary then read out motion 5.

Motion 5 (2/3 Majority required)

To amend the wording on rule 4.11 as currently read;
"Any ordinary member shall not propose or second more than two candidates in any calendar year, regardless of whether the candidates' applications are successful or not."

To read as follows;

Any ordinary member shall not propose or second more than five candidates for membership in any calendar year, regardless of whether the candidates' applications are successful or not.

Proposer: Jackie Quinn Secunder: Richard Murray

Jackie Quinn (Proposer) then proposed the motion. She felt the current rule was very restrictive and the number needed to be increased. She also felt that the current rule could lead to some abuse.

Richard Murray (Secunder) then seconded the motion. He agreed with Jackie and also said that the proposal fits in well with membership recruitment.

As there were no questions the Chairman then asked the members present, by a show of hands, to indicate those in favour and those against the motion.

The motion was carried.

Motion 6 (2/3 Majority required)

To amend the wording on Rule 5.3 as currently read;
"The Management Committee may in its absolute discretion grant leave of absence to any category of fee paying member for a period of not less than a year if the member is absent, ill or otherwise unable to use the Club premises. If leave of absence is granted, then the member's annual subscription shall not become payable and the Management Committee may apportion same."

To read as follows;

"The Management Committee may in its absolute discretion grant Leave of absence, subject to the club 'Leave of Absence Policy'.

Proposer: Richard Murray Secunder: Pdraig Duffy

Richard Murray (Proposer) then proposed the motion. He said the current rule was not very clear and felt it would be better to have a policy document in place. He then outlined the main terms of the proposed document to the members.

Padraig Duffy (Secunder) then seconded the motion. He pointed out that with a policy in place this should give clarity to members and future committees. He also said it could help with retention of members.

Niamh Darcy asked if any limits in terms of numbers would be put in place.

Richard Murray replied that would not be the case.

As there were no more questions the Chairman then asked the members present, by a show of hands, to indicate those in favour and those against the motion.

The motion was carried.

Motion 7 (2/3 Majority required)

To add a new rule under Rule 14 'Procedure at General Meetings of County Louth Golf Club' to read as follows;

"Standing orders as drawn up by the management committee of the club shall be adopted at all general meetings held in the club. Any motion to suspend Standing orders shall specify the standing order or orders to be suspended and the period of such suspension. Such a motion shall not be successful unless supported by a simple majority of members present and voting at the meeting."

Proposer: Richard Murray Secunder: Padraig Duffy

Richard Murray (Proposer) then proposed the motion. He said he was surprised that standing orders were not in place for general meetings of the club. He pointed out the benefits for both the members and the chairman to have them in place. He then gave some examples of the type of standing orders the club should consider.

Padraig Duffy (Secunder) then seconded the motion. He said it made sense to have standing orders in place and would help with the business of meetings.

As there were no questions the Chairman then asked the members present, by a show of hands, to indicate those in favour and those against the motion.

The motion was carried.

Motion 8: (2/3 Majority required)

To amend Rule 8.12 as follows:

Current Rule: Notwithstanding anything contained in these Rules, the Trustees shall at all times maintain a sum of €750,000 in a specified bank account, together with any interest accruing and all sums received from membership entrance fees solely for

the purpose of the prospective purchase of lands currently held by way of Sporting Lease.

Proposal: Notwithstanding anything contained in these Rules, the Trustees shall at all times maintain a sum of €1.223m in specified bank accounts, together with any interest accruing, solely for the purpose of the prospective purchase of lands currently held by way of Sporting Lease.

Proposer: Neil McMahon Seconder: Jim McMahon

Neil McMahon (Proposer) then proposed the motion. He said the ring fenced money was earning no return for the club as he had outlined during his presentation of the annual accounts. Capping it now at its current balance was a sensible strategy.

Jim McMahon (Seconder) then seconded the motion. He agreed with Neil and said the proposed change was been done for sensible reasons.

As there were no questions the Chairman then asked the members present, by a show of hands, to indicate those in favour and those against the motion.

The motion was carried.

Motion 9: (2/3 Majority required)

To amend Rule 6.10 as follows;

Current Rule: The Management Committee shall have the power to open and maintain a bank account in the name of the Trustees in such bank as the Management Committee may from time to time determine. The Management Committee shall have the power to spend the Club's funds in furtherance of the objects of the Club set out in Rule 1.2 above, as well as in furtherance of the Management Committee duties set out in Rule 6.1 above. Notwithstanding anything contained within these rules, the Management Committee shall not be permitted to spend in excess of €100,000 of the club's funds on any single capital project without the prior approval of a simple majority of the ordinary members present and voting obtained at a general meeting.

Proposal: The Management Committee shall have the power to open and maintain a bank account in the name of the Trustees in such bank as the Management Committee may from time to time determine. The Management Committee shall have the power to spend the Club's funds in furtherance of the objects of the Club set out in Rule 1.2 above, as well as in furtherance of the Management Committee duties set out in Rule 6.1 above. Notwithstanding anything contained within these rules, the Management Committee shall not be permitted to spend in excess of €100,000 of the club's funds on any single capital project without the prior approval of a simple majority of the ordinary members present and voting obtained at a general meeting, and that all sums received from membership entrance fees must be used for such projects and only with the prior approval of a simple majority of the ordinary members present and voting obtained at a general meeting.

Proposer: Neil McMahon Seconder: Jim McMahon

Neil McMahon (Proposer) then proposed the motion. He said that using entrance fee monies for capital projects was a good long term strategy and again pointed out the poor returns under the current rule.

Jim McMahon (Seconder) then seconded the motion. He agreed with Neil and also said the proposal gave comfort to the members.

As there were no questions the Chairman then asked the members present, by a show of hands, to indicate those in favour and those against the motion.

The motion was carried.

Motion 10: (Simple majority required)

That the provision of a complimentary buggy to club members of an advanced age be extended to include members aged seventy-five and over, who have age related disabilities rendering them incapable of playing in club competitions without the aid of a buggy.

Proposer: Robert McLeer Seconder: Michael Plunkett

Robert McLeer (Proposer) then proposed the motion. He said that he had written a letter to the committee on this matter but it was declined. He felt that members of an advanced age should have a complimentary buggy and that it would not cause any financial stress to the club.

Michael Plunkett (Seconder) then seconded the motion. He agreed with Robert and also said that the club should look after loyal and long standing members.

Patrick Joy said members were already receiving a generous discount. Tommy Morrissey supported the motion saying the current fee was too expensive.

As there were no more comments the Chairman then asked the members present, by a show of hands, to indicate those in favour and those against the motion.

The motion was defeated.

Motion 11: (Simple majority required)

In relation to the area of the course currently known as the Alternate 17th Hole, that the area be converted to a long range pitching area to complement and expand the existing practice facilities of the Club.

Proposer: Frank Gray Seconder: Michael McGuigan

Frank Gray (Proposer) then proposed the motion. He outlined the various issues around the alternate 17th Hole. These included the expenditure on the hole, the condition of the green, design and no strategy for the hole going forward.

Michael McGuigan (Seconder) then seconded the motion. He reiterated the points Frank made. He also said the course has one of the best set of par threes in the world and was against using the alternate 17th.

The Chairman then asked the members for their views.

Contributions were then made by Derek Carolan, Patrick Joy, Andrew Garvey, Frank Gannon, Colm Berkery, Frank King, Niall Crimmins, Vincent Murray and Pat McCabe. The differing views expressed around the motion included the green design, monies spent to date, H&S issues, improve the current 17th hole, visitors' views, condition of green, cost of maintaining the green, tee complex and the possible impact on the course ranking.

The Chairman announced that he felt adequate discussion had taken place and asked the members present, by a show of hands, to indicate those in favour and those against the motion.

The motion was defeated.

AOB

Fred Hoey felt the appearance and presentation of the clubhouse, and in particular the snack bar area had deteriorated over the last couple of years. He asked why no investment had been made in the clubhouse.

The Chairman replied that the fire issue needed to be finalised before any monies were spent.

Patrick Joy agreed with Fred. He also said that a plan was in place for the clubhouse and that once the fire issue was finalised monies would be allocated for improvements in those areas.

No further questions from the floor so the Chairman thanked all in attendance and declared the meeting over at 9.40pm

Attendance for the 126th AGM was 112 members.

Richard Murray
(Hon Secretary)