

MINUTES OF THE 87th AGM HELD ON
SUNDAY 20th AUG 2017
NAROOMA GOLF CLUB LTD
SEAHORSE FUNCTION ROOM 10:00am

Present:

Board of Directors:

G. Lanham	Chair	(President)
P. James		(Vice President)
P. Jones		(Captain)
C. Eardley		(Director)
C. Fader		(Director)
P. Kearney		(Director)

General Manager:

D. Connaughton

Auditor:

Simon Byrne (Kothes)

The Chairman asked for the Club Patron, both past presidents and current life members in attendance today to stand and be recognised by the members. Leonie Whelan, Bob Bennett and Austin Hanna stood and were recognised.

The Chairman also introduced the committee and general manager.

Members: 45 Full Golf and Life Members

2 Social Member

Total 47

Apologies: Ralph Imberger, Phil Haynes, Bill Swan, Rod & Pam Shepard, Sylvia Donohoe and Greg Ryan.

Moved: N. Lee	Seconded: M.Commins	Carried
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PROCEEDINGS:

The chairman opened the meeting at 10.04am and welcomed those in attendance. He also introduced the committee and the Clubs Auditor Mr Simon Byrne from Kothes Accountants.

The Chairman read out a brief opening statement as follows:

I am pleased to inform you that this is the first financial year in the past 4 years since I have been on the Board that the Club has returned a healthy profit outright. By that I mean that the profit shown in the annual report did not include the sale of assets. On top of that

profit, we continued to pay down debt and paid for all of our projects such as the newly constructed cart shed, concrete cart paths, turf and machinery purchases from cash-flow. Most of the departments achieved revenue increases this financial year and thanks must go to Management and staff for their efforts in reducing costs.

It is, and always will be, a costly exercise to maintain a golf course, however, that is the business that we are in and it is imperative that the Board maintain this view so that the course can be continually improved and maintained to a high standard, not just for the members, but also to continue to attract players from interstate and overseas. We have an iconic and beautifully maintained course and wish to keep it that way.

We have also dedicated finances to improve the interior of the club house and hope that this will be an on-going operation. The gaming area has been refurbished and as I speak, our main bar area is being refurbished. We also plan to refurbish the bistro dining area, the toilets and carpet throughout the club in the future. We continue to chip away at these projects as funds become available. We have over the past few years up-graded the on-course machinery with replacements and new purchases and apart from the purchase of a new greens mower and fairway mower sometime in 2017/18, we should be in a position where we will have a window of opportunity of approximately 2 years to direct funds to other projects.

I will read out the Treasurer report later in the meeting due to his absence today as mentioned earlier. The report provides a more detailed summary of our financial position, however, in closing I would like say that the future of the Narooma Golf Club looks positive and strong. I would like to thank all of the staff, our contractors, Management and Board for their efforts and achievements throughout the year. Board at the moment is a good team and works together on improving the club on behalf of the members.

Thankyou.

ITEM 1

1. To confirm the minutes of the previous Annual General Meeting held on Sunday 30th August 2015.

(Minutes were available on the club website, front office and at today's meeting for members to read)

Moved: N. Lee	Seconded: L. Whelan	Carried
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ITEM 2

2. To receive and consider the Directors' Reports and Directors' Statements. President mentioned that the reports have been circularised to members in the Clubs Annual report.

Moved: A. Hanna	Seconded: L. Whelan	Carried
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ITEM 3

3. To receive and consider the Financial Statements and the Independent Audit Report to the members.

The Clubs Auditor Mr Simon Byrne from Kothes accounting associates was invited to give a brief report.

Simon mentioned the main points as follows:

- The club has returned a profit of \$98,000 for the current financial year and the Board and Management should be congratulated on this solid result
- It was a better result than last year due to sale of some gaming machine entitlements
- Gaming and bar results were stable with the course trading accounts improving by 12.8% which is an excellent result
- Cost reduction during this period has been the main force of the good net profit being \$36k less than last year
- \$620k has been expended on club assets
- Club debt was reduced by \$68k
- EBITDA was 11.5% up 0.9% on last year and heading in the right direction which is a pleasing result
- Please to report that the audit carried out during the year on daily operational transactions, wages, journal entries showed no significant variances and no weaknesses in internal control procedures were found
- Difficult industry to be in and out of all the other golf clubs that we audit not many at all are showing a figure in black ink on the bottom line so congratulations again must go to your board and management team for the year you have just had. Congratulations must also go to the volunteers who give up their time to help the club
- Significant challenges ahead especially with gaming as this is dropping across the state, more people using internet gambling and increased competition

The chairman thanked the club auditor for his report

The Chairman then read a prepared report from the Club Treasurer due to his absence from the meeting today.

It is pleasing once again to report another profitable year for the Club. The reported net profit of \$99k for the 2016/2017 year was driven by cost savings and business efficiencies with only marginal revenue improvement across some departments. Revenue growth continues to be a challenge for the board and management as it is for most golf clubs across the state and country.

One of the most pleasing aspects of the financial performance of the Club this year for me as Treasurer was the growth in free cash flow which was over \$40k better than the previous year and substantially higher than in recent years. It is cash that pays the bills and the

ongoing growth in free cash flow provides greater flexibility for further investment. The better the financial performance of the Club the greater the flexibility of the board to re-invest back into the business by improving the standard of equipment, the presentation of the course, the Club house facilities and of course reducing our level of debt.

Over the last 12 months we have continued our pursuit of reducing debt, made a number of new asset purchases and allocated more and more funds to improving facilities both on and off the course for our members and visitors.

On course over the 2016/2017 year we have allocated funds to:

- Purchasing a new compact tractor which means we can now undertake all our own coring work
- Purchased a second hand Surrounds Mower – an offer too good to refuse
- Purchased a brand new Spreading Machine, which has been put to good use over the last week as you have probably noticed or at least spelt
- Built a new concrete path leading up to the first green and extended the wedding path down to the 18th green
- Replaced the irrigation pipe from the back of the 7th green to 8th tee
- Built a new cart shed which has the capacity to house up to 50 golf carts
- Purchased a new Cushman Ezygo utility

In the Club house we have

- Installed a brand new fire alarm system
- Refurbished the gaming area including new carpet
- Purchased new furniture for the member's lounge
- Purchased new TV's which are located throughout the Club

Further planned and approved capital expenditure in 2017 includes:

- Refurbishing the main bar which is already underway and will be completed over the coming weeks
- A new Point of Sale system that will link the Club with the Pro-shop and the Restaurant which will go live on the 29th of this month
- Purchase of a new greens mower, which should arrive next month
- Purchase of a new Fairway mower

When we do finalise the purchase of the new Greens mower and Fairway mower, all of the course equipment in the Green Keepers shed will be essentially new. When I started as Treasurer only 3 years ago, we had a number of pieces of equipment in the shed that were well past their used by date, one in fact was 10 years past its useful life.

Just as a side issue, I wanted to talk to you about the cost/benefit analysis associated with building the cart shed. The new carts purchased did not require tow systems, saving the club \$20k. We are purchasing the new Carts in 2 transactions as we don't need 40 carts over the winter period, saving a further \$6k. We are renting 30 Carts and purchasing 10 outright, saving approx. \$25k over 4 years. As we are better able to rotate usage of the Carts (and therefore preserve them) we are hopeful that we will have the new Carts for an additional 12 months beyond the normal 4-year period, saving the Club approx. \$20k. Total savings

over 5 years equates to approx. \$60k, the total cost of the Cart shed was \$130k. Therefore, the Cart shed should pay for itself over a 10-year period.

We also negotiated the purchase of a new Cushman Ezygo Utility for the greens staff as part of the new cart purchase, the machine retails for \$16k we purchased it for \$1.00.

On the borrowing front, during the year monthly loan repayments were reduced as we made a conscious decision to fund all of the above activities and assets through cash flow. Regardless, long-term debt was still reduced by almost \$100k.

As always we can't stand still as there are still plenty of challenges ahead. We need to drive higher revenue, start assessing the cost of replacing the Club house roof, improve Club house facilities more generally, look at the cost associated with irrigation on the course and to provide a championship top 100 golf course that continues to attract more and more members and visitors.

Finally, I would like to thank our loyal band of volunteers who do so much for this club and in so many ways we would not exist without them.

Thank you

Moved: P. Mood	Seconded: J. Boxsell	Carried
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Item 4

4. To decide the following resolutions by the Board of Directors:
That pursuant to the Registered Clubs Act 1976;

- (a) Members approve expenditure by the Club not to exceed \$7,000.00 for professional development and education of Directors during the 2016/2017 financial year of the Club, details of any such expenditure to be made available to the members at the next Annual General Meeting of the Club.
(Expenditure for 2015/16 was \$2,823).

Moved: B. Bennett	Seconded: M. Commins	Carried
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- (b) Members approve expenditure by the Club not to exceed \$5,000.00 for meals and refreshments by Directors when carrying out their duties or when entertaining guests of interest to the Club during the 2016/2017 financial year of the Club, details of any such expenditure to be made available to the members at the next Annual General Meeting of the Club.
(Expenditure for 2015/16 was \$2,667).

Moved: M. Commins	Seconded: L. Holmes	Carried
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- (c) Members to approve out of pocket expenses to the value of \$2000 for the President and Captain and \$1500 for each other Director for the 2017/18 financial year of the club.

Moved: S. Richards	Seconded: P. Mood	Carried
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- (d) Members acknowledge that the benefits in paragraph 4(a), 4(b) and 4(c) are not available to members generally but to Directors only.

ITEM 5

5. Fifth order of business is to consider and vote on an Ordinary Resolution to approve Life Membership for Mr Neil Towers.

(All categories of membership are entitled to vote except club employees which will be done by a show of hands in the first instance). To pass the Ordinary Resolution we require 50% + 1.

The Chairman invited Graeme Sawyer to come forward to say a few words in support of this nomination for life membership.

Neil joined Narooma Golf Club in January 1971 and has held a playing membership for the past 46 years and continues to play competition golf twice a week. He started in B grade, dodged the handicapper for a few weeks and has competed in A grade almost ever since.

He has won an astounding 11 monthly medals during this time, the most recent being the 2017 February competition where he recorded a net 64 playing off a 12 handicap. Back in the late 70's Neil was also the winner of the much coveted club jacket, (similar to the current gold medal but across all competitions throughout the year, not just stroke events).

His contribution to our club has been continuous and diverse as follows:

- Neil has been elected to and served two terms on the board of directors that governs our club's operation, one of these in a particularly tumultuous year in the early 1980's.
- Among his greatest contributions was in the role of Narooma Golf Club Junior Coach. He filled this role for some 14 years from the late 80's into 2000. This was under the guidance of Ken Gaffney, (the club golf professional at the time), and involved an average of 30 kids each week with ages from 5 to 18. This program ran on both a Friday afternoon as well as a Saturday with parental involvement and many of our 30/40-year-old playing members have their background in Neil's tuition.
- During this time Neil also worked with the Far South Coast Association to introduce a junior Far South Coast Golf Championship. It was at a time when junior player participation was in sharp decline. The competition ran for some 10 years and had positive results, introducing juniors to the competition side of our game as well as retaining the 12-18 year olds.

- Neil served on the Narooma Golf Club Match Committee for a number of years in the 90's.
 - Neil completed a Level 1 golf instructor course in mid-1990 under the guidance of the then NSW coach Peter Knight. This brought added depth to his coaching skills and led to Narooma Golf Club and Narooma High School being nominated to host the prestigious NSW Combined High Schools championships in 1993. This was a very involved task and saw Neil work collaboratively with both the male and female members to billet out all the 80 competitors across our town, liaise with Richard Goodridge for course setup over the three days and led to an outstanding competition, drawing praise from the NSW CHS committee. (As an aside, one 17-year-old competitor was 1 shot from posting an equal course record on day two of the championships on a setup that was as hard as it can be and three competing players went on to represent NSW in open competition, such was the standard of golf Neil brought to Narooma.
 - Neil has served as the club's "handicapper" on an appointed basis for a good many years; also filling in as in a relief position when called upon.
 - He enjoys competition on our course, but also any course! Neil represented this club in the pennant competition for some 12 years playing in the division 2 at first and later in the seniors. Neil was in the team that won the division 2 pennant in 1997 posting just one lost match in this season.
 - Neil has been a member of the course volunteer working party since its inception some 8 years ago.
 - He has acted as "spotter" in each of our two major tournaments on numerous occasions.
 - A check of the trophy cabinet will confirm that Neil has also been awarded the honour of being "club person of the year" for his services to our club.
- To sum up, Neil has continuous membership for 46 years.
A fantastic record of encouraging junior golf. Has served on the club's match committee, competes in club events with distinction and an enviable pennant competition record. A board member for two terms. He has been the club handicapper and will still fill in if called upon. A course maintenance volunteer since day one and been the Club Person of the year.
Graeme also read out a supporting letter from Club Life member Mr Ken Gaffney.

The Chairman thanked Graeme for his nomination and then put the motion to the members for life membership for Neil Towers.

Moved: G. Sawyer	Seconded: M. Commins	Carried
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The motion was approved with more than 50 + 1 votes.

The Chairman then presented Neil with his life members badge and certificate and invited Neil to say a few words.

Neil thanked the Chairman, Board of Directors, members present and Graeme Sayer for nominating him today. He also thanked his wife for putting up with him all these years due to his passion for all things golf. Neil said he was very humble

and very proud to be part of such a vibrant, active and well run club which I hope continues into the future. Thank you.

ITEM 6

6. Sixth order of business is to deal with notices of motion for which due notice has been given.

Nil

ITEM 7

7. Seventh order of business is to elect the Board of Directors for the ensuing year in accordance with the club's constitution.

The Chairman explained that there were no elections required this year due to the fact that we only received a nomination for each of the vacant positions. The Chairman then handed the meeting over to the returning officer Mr Joe Gately to announce this year's positions.

The returning officer then declared the two position as elected for the next 3 yrs:
Club President – Geoff Lanham
Club Director – Peter Kearney
Congratulations to both candidates and Joe handed the meeting back to the Chairman.

ITEM 8

8. Recommendations to the Board.

The Chairman mentioned that this is not an opportunity to put forward motions or to argue or discuss any issues, it is for recommendations only to the Board.

- a. Michael Commins thanked the Board and Management for their considerable efforts this year, he said it is a fantastic outcome financially and in so many other ways as well. It is interesting and gratifying that we generate over \$600k of income on the course, we do this because the course is getting better all the time. On behalf of those here today I thank the Board and Management for their efforts. In conclusion it is very pleasing to see both Geoff and Peter staying for another term. Thank you.
- b. Joe Gately mentioned this club did a 75th Anniversary with a book regarding the club's history. The 90th and 100th years are approaching fast and he asked if the Board could start planning for both of these dates. He also mentioned that cash flow is vital for the club's survival and that the Board & Management have shown results this year. Thank you.

The Chairman mentioned these dates are very important for the club and members and the board will look at these significant dates in future planning.

- c. Paul Mood congratulated the Board on a good result and agreed with Joe that the club's history is very important to celebrate and document. He added that a number of trophies that are played for throughout the year are named after significant events or people. Paul asked if the Board could research and document the history of the trophies so when they are awarded to winners at the presentation day they know the history behind them. Paul suggested a sub-committee could do the research and put into written form.

Trish James mentioned that Bob Bennett had done the research and recorded information on the people who many trophies are named after. This would be a good start to get this info together in a book which could be available for members to read.

The Chairman agreed with the comments and said the Board will look into getting this project started.

The Chairman thanked the members for attending the meeting and closed the meeting at 10.50am.

Members were invited to stay for a beverage and a few nibbles.