

## **Minutes of November 20, 2009 BRSC Annual Meeting**

### **Board Members Present:**

Mark Phillips, Sheryl Putnam, Jim Colby, Ed Henderson, Rich Colbert, Vivian Klein, Jenny Grunke, Sharon Pointer, Mike Frelleson, Roger Hazelwood

### **Board Members Absent:**

Dave Northness

### **Members in Attendance:**

See attached list of members in attendance.

### **Staff Present:**

Bill McGrath, MaryAnn Moorhead, Debbie Schlund

### **Call to Order:**

President Phillips called the meeting to order at 6:02 pm. A total of 63 voting proxies were received. A total of 201 voting proxies is required to reach the necessary quorum. Pursuant to the Boise Racquet and Swim Club By-Laws, Article 1, Section 7, if a quorum is not present, those present may adjourn the meeting to such time and place as they may determine without the requirement of additional notice as provided in Section 3 Article 1. In the case of the rescheduled meeting pursuant to the terms of the Section, although less than a majority has fixed here, shall nevertheless constitute a quorum for the purpose of electing directors.

President Phillips adjourned the meeting at 6:04 pm and announced that the annual meeting would reconvene at 6:20 pm.

### **Call to Order**

President Phillips called the annual meeting to order at 6:20 pm.

### **Reading of Notice of meeting and Proof of Call**

President Phillips read the Notice of Annual Meeting of the Boise Racquet and Swim Club (copy attached)

### **Announce Quorum**

Pursuant to the BRSC By-Laws, Article 1, Section 3 although there is a less than a majority, it shall constitute a quorum for the purpose of electing officers.

### **Election of 2010 Directors**

President Phillips stated that all voting ballots that were received were placed inside the secured ballot box. The box was opened on Tuesday, November 17, 2009 and the ballots were counted. The following individuals counted the ballots: Dave Roberts, Trish Quarles, Mike Frelleson and Mark Phillips. After completing the count, all of the ballots were returned to the box and secured. The ballot box was again opened at 5:15 pm on Thursday, November 19, 2009 and the ballots were counted. The following individuals counted the ballots: Dave Roberts and Trish Quarles.

Trish Quarles provided the following election results:

165 votes were received as follows:

141 votes received for Dave Northness

113 votes received for Rich Colbert

98 votes received for Jerry Adams

101 votes received for Jonathan Bloomer

90 votes received for Jeff Surbeck

96 votes received for Mike Kirby

The new directors are:

Dave Northness

Rich Colbert

Jerry Adams

Jonathan Bloomer

Mike Kirby

The newly elected directors will assume their positions on January 1, 2010. They will serve three (3) year terms.

### **Reports of Officers**

President Phillips thanked the employees of the BRSC for all of their hard work. President Phillips also thanked the members of the board of directors for all of their hard work.

President Phillips reported that two additional board positions were added after the 2008 annual meeting.

Policies and procedures are being reviewed and revised. The revised employee manual should be available soon.

The Board has been working hard to function as an oversight body, rather than a Board that is involved in the day-to-day business of the club.

President Phillips stated that the club faces challenges for the future including how to increase membership, given the current economic climate.

Jim Colby presented the financial highlights summary. (Financial Highlight Report attached to minutes) Jim stated that both interest and depreciation expenses are significantly higher as reflected in this summary with the addition of the new courts. Revenue is up slightly.

Jim explained that the debt service requirement is \$14,000/month or \$168,000/year. Jim reported that any capital expenditures for the upcoming year will be closely scrutinized.

No 10 month YTD comparison is included as prior year numbers do not reflect year end adjustments.

### **General Manager Report**

Bill McGrath expressed his appreciation for those members in attendance. Bill provided an update on his activities since he was hired on February 15, 2009.

Bill updated the members that when he assumed the General Manager responsibilities, memberships totaled 496. As of the end of October 2009, memberships totaled 490. Bill stated that given the current economic climate, these numbers are positive. Food and beverage revenue is up, as is court revenue.

Block sales have increased approximately 6.4 percent from 2008 to 2009.

A one year lease renewal has been negotiated with Overhead Smash.

The majority of the tournaments are being run in-house.

The new web site has been launched and is functional.

New programming has been launched including:

- Daytime ladies leagues – both Fall and Spring. Bill stated that this has been a tremendously successful program. Over 100 ladies have enrolled in each session.
- Weekend doubles league.
- Fall Junior series

These new programming activities have produced revenue by filling the courts.

Bill stated that he has restructured the junior program. The junior program is now a tiered program. We are fortunate to have a tier 5 junior here at BRSC.

The following capital improvements were completed:

- Retrofit of the lighting on courts 6,7 & 8. The lighting retrofit was intended to look similar to the lighting on the new courts. Phase I of the lighting retrofit in the clubhouse has been completed. The new lighting will result in cost savings to the club.
- Completion of two new outdoor courts
- Improvements in the fitness room including
  - New elliptical machine
  - New stand up bicycle
  - Some new free weights
- Replaced furnace
- Major renovations to the ladies locker room

Bill stated that tennis is a sport growing at approximately 4% per year. Bill's vision for the club is to make sure that the club is moving forward and able to accommodate the growing interest in the sport.

Bill will be working to offer additional programming opportunities and promotional specials to increase memberships. Bill will also be looking into the USPTA initiative.

A member wanted to know the club's membership "limit". Bill and several Board members stated that no ceiling for membership has been identified, and there is room for additional members. Because different members play at different times, membership limits may be driven more by parking limitations, court availability during peak times, among others. A limit of 550 members had previously been identified.

A member stated that she really likes the new programming including the new weekend tennis group, because it has brought in a whole new group of community tennis players. She stated that there are a lot of new faces at the club and it has enhanced her tennis experience.

Bill thanked the members for their comments and stated that he is currently exploring alternative membership routes to increase the membership.

A member wanted to know the status of the adult instruction program. Bill stated that the adult instruction program is very healthy. He stated that he is looking to develop some weekend camps and/or adult boot camps. Bill was unsure what percentage of the membership currently utilizes the pros.

A member wanted to know if the 2010 capital budget has been developed. Bill stated that capital expenditures for 2010 will be reviewed on an "as-needed" basis and no formal capital expenditure budget will be developed unless operational revenues increase. President Phillips stated that the Board will likely be very frugal in 2010 as it relates to capital expenditures.

#### **Misc. Business**

A member wanted to know if there was a membership committee within the Board. Bill stated that while we do not have a designated membership committee, we do have a marketing committee that has been working closely with USTA to increase the Club's visibility.

Bill stated that he continues to market the club to non-members by allowing nonmembers to take lessons and play in mixers. Additional outreach includes membership specials and a combination of new programming. Bill stated that he wants to increase and build on share holder value. He explained that all members have different opinions and different needs. The club needs to be able to balance the needs of current and new members.

Bill continued that his focus will be on new programming and increased marketing efforts. He is considering a senior league; a flex league; and or adult ladders.

A member wanted to know if any staff changes are anticipated in the upcoming year. Bill and several Board members stated that there can be no comment on personnel matters.

Several Board members stated that the Board is continually reviewing how the club is doing financially and that while no significant changes are currently anticipated, no commitment can be given that changes will not occur in the future.

A member asked how many members are not stock-holding members. There are approximately 150 non-stock-holding members.

Those attending the meeting were invited and encouraged to attend regular board meetings to provide input.

A member stated that he was concerned about how the pros are getting reimbursement, as it appears to be a change from the last general manager. Bill explained that a full presentation was made to the personnel committee and subsequently the full Board and that a change in clinic reimbursement had been proposed and adopted. Bill stated that comparable compensation rates had been obtained. It is the club's desire that the commission structure is fair, balanced and not out of line. President Phillips stated that Bill's pro reimbursement policy brings the club's commission structure more in-line with USTA generally accepted practices. Bill assured the members that this decision, and all decisions involving pro compensation are not made in haste and that facts are obtained prior to making any recommendations for change.

Bill stated that the club, like all businesses, continually move either forward or backward. Change will ultimately occur. Bill explained that employees will be held accountable for their time and that employees will be encouraged and assisted with improving their performance.

Bill continued that the tennis lesson rate at the BRSC continues to be a very good value compared to other cities. Bill does not support pros being independent contractors verses being employees of BRSC. It is his intent is to protect the rights of the pros and in the best interest of the club and its members.

There being no further business, Sharon Pointed made a motion to adjourn the meeting. Jenny Grunke seconded the motion. The motion carried. The meeting was adjourned at 7:05 pm.

Submitted by Sheryl Putnam, Secretary.