



Rancho Santa Fe Association

Board of Directors Meeting

Staff Report – Request for Board Action

Date: February 26, 2021

**By: Board of Governors
Rancho Santa Fe Golf Club**

Item: Plan of Operation Amendment – Inactive Status and Reactivation

Executive Summary:

This is a request to amend the Inactive Status policy and Reactivation policy in the Golf Club Plan of Operation.

Background / Discussion:

The Plan of Operation states for each five continuous years that a Voting Member or Former Resident Member maintains active membership, such individual shall be entitled to 12 months, or less if he or she chooses, of inactive status for any reason without payment of dues. In addition, the Plan of Operation allows members who have voluntarily terminated their membership to reactive at a later date, upon the receipt of the prevailing enrollment fee less the amount of the enrollment fee previously paid, provided applicant is eligible.

Article VI of the Plan of Operation – Inactive Status:

The purpose of the amendment changing the terms and conditions of the Inactive Status Policy is to prohibit members from entering Inactive Status for the remainder of calendar year 2021 while the golf course is under renovation. In addition, on January 1, 2022, the following shall become the Inactive Status Policy: For each ten (10) continuous years that a Voting Member or Former Resident Member maintains active membership, such individual shall be entitled to one (1) month to up to six (6) months of inactive status for any reason without payment of dues. Any such member must remain inactive for the number of months selected becoming inactive. Any period of inactivity shall preclude the member from being inactive again for an additional ten (10) year period and there shall be no accrual of this entitlement. This rule change will not affect members who have voluntarily elected inactive status prior to the date of this amendment.

The objective of the amendment is to maintain membership rolls and income levels during the golf course renovation project and align RSFGC with prevailing practices among exclusive private golf clubs.

Preamble of the Plan of Operation – Reactivation :

The purpose of the amendment changing the reactivation policy when a membership is voluntarily terminated and the member reapplies at a later date, is to eliminate the provision allowing credit for the amount of the enrollment fee previously paid. The former member shall pay the full amount of the current enrollment fee provided the applicant is eligible.

The amendment will align RSFGC with prevailing practices among exclusive private golf clubs.

Fiscal Impact:

A substantial number of members electing inactive status during the renovation presents an imminent risk of substantial economic loss.

Recommendation:

The Board of Governors requests that the Board of Directors approve for posting the amendments to the Plan of Operation.

The Golf Club Board of Governors unanimously approved the amendments on February 22, 2021.

AMENDMENTS TO THE BYLAWS AND PLAN OF OPERATION

Amendment to the Plan of Operation, changing the policy when a membership is terminated, voluntarily or involuntarily, and the member reapplies at a later date to the Golf Club.

Amendment to Preamble of the Plan of Operation:

REACTIVATION POLICY. Effective January 1, 2022, any member who voluntarily terminates his or her membership (and ceases to hold any class of membership), is welcome to reapply for membership provided that the individual is eligible for membership at the time of reapplication. The reapplication for any class of membership shall be granted subject to payment of the full amount of the current enrollment fee regardless of any amount previously paid by the individual for his or her prior membership. If a membership is involuntarily terminated by the Board of Governors for failure to pay enrollment fees, dues, debt assessment and other fees and charges, including late fees and interest, the former member may reapply for membership if eligible. The former member shall pay the full amount of the current enrollment fee plus all delinquent amounts previously owed.

Amendment to the Plan of Operation changing the terms and conditions of the Inactive Status Policy for the Golf Club.

Amendment to Article VI of the Plan of Operation:

INACTIVE STATUS. For the remainder of calendar year 2021 all members shall be prohibited from entering Inactive Status. On January 1, 2022, the following shall become the Inactive Status Policy: For each ten (10) continuous years that a Voting Member or Former Resident Member maintains active membership, such individual shall be entitled to one (1) month to up to six (6) months of inactive status for any reason without payment of dues. Any such member must remain inactive for the number of months selected when becoming inactive. Any period of inactivity shall preclude the member from being inactive again for an additional ten (10) year period, and there shall be no accrual of this entitlement. There will be no voting rights, right to hold office within the Club and no access to the golf course, the driving range, the practice putting green or the short game practice area in any capacity on any occasion during the inactive period. Nor will inactive members be permitted to participate in Club sponsored events. However, during that period he or she will be required to pay the same assessments and other charges as Regular Golf Members and any enrollment fee which may be due. No additional enrollment fee will be imposed at the end of the inactive status period, but any monies otherwise owed shall be paid. Notwithstanding the foregoing, in the event a Voting Member is on an assignment for any branch of the United States military which requires his or her temporary relocation, inactive status will be granted irrespective of whether such member satisfies the ten (10) continuous years of active membership requirement set forth above. In such case, such member would not be eligible for an additional inactive status period (unless pursuant to another military assignment) until he or she has cumulative active status of at least ten (10) years. Similar rules will apply for multiple military assignments.