

ROCKPORT COUNTRY CLUB MEMBERS ASSOCIATION

BOARD OF DIRECTORS MEETING MINUTES

December 29, 2016

A regularly scheduled meeting of the Board of Directors of the Rockport Country Club Members Association was held at the RCC Clubhouse, 101 Champions Drive, Rockport, Texas.

**PRESENT:** Barbara Smyth-President, Stan Davis – Secretary/Treasurer, John Wheeler-First Vice President, John Hitchcock, Jon Heffron, Linda Bohn, Mike Couvillion, Ric Young and Tiffanie Hoover.

Also in attendance were: Mike Johnson and the General Manager - Rick DeLoach.

The President convened the meeting at 8:00 AM.

**GUESTS:** There were no other guests attending the meeting.

**APPROVAL OF MINUTES:** October and November 2016 Board Minutes: Approved with no changes.

**FINANCE REPORTS:** Presented by Mike Johnson, Reports referenced.

- Balance Sheet and Income Statement
- Cash Flow
- Cash on Hand
- Projected Cash Balance
- Total cash projected for February 2017 is currently estimated to be \$151,996 based on current capital expenditures and expected cash flow from operations.
- Mike presented the projected Profit for 2016 based on actual through November and budgeted numbers for December. The revenues for the remainder of the year were reduced by \$19,000. Expenses were increased by \$7,000 for December. 2016's projected annual loss is now estimated to be (\$61,720) versus a budgeted gain of \$17,788.
- Mike advised that the Club may be required to utilize the Line of Credit at IBC Bank to cover the January / February tax and insurance payments in 2017.
- Mike also recognized that the restriction of Capital Expenditures in 2016 to \$112,767 contributed greatly to conserving working capital in 2016 and providing moderate cash reserves to carry the club into 2017.
- Mike also advised the Board that 2017 cash flow based on the forecasted budget should be adequate to service our debt, fund ongoing operations and make approximately \$150,000 in capital expenditures. He also cautioned that if we experience revenue shortfalls, that the Club may not be able to make up the shortfall of revenue by cutting expenses as has been done in previous years.

**GENERAL MANAGER'S REPORT:** Rick DeLoach

- Delinquent Accounts: There was a discussion regarding the members on the past-due receivable's report. The GM advised that all accounts over 55 days past due had been notified.
- The Board requested that the front office follow a strict adherence to the requirements of the Rules and Regulations of the Club, regarding the management of past-due receivables.

**SWIM/TENNIS/FITNESS COMMITTEE:** Tiffanie Hoover

- Committee Meeting Report: There was no December committee meeting.
- Barbara requested that the STF Committee come up with a list of potential activities and events to generate revenue and member participation in STF facilities.

**HOUSE AND ENTERTAINMENT COMMITTEE:** Linda Bohn

- Committee Meeting Report: Report referenced.
- Linda reviewed with the Board possible event themes for 2017.
- The committee suggested that popcorn or chips and salsa be served in the 19<sup>th</sup> hole on non-happytizer Fridays.
- The committee offered the idea that dining specials should be on a first-come, first-served basis in lieu of reservations. This would help minimize the ordering of too much food.
- The committee recommended that staff positions be highlighted in weekly bulletins to inform members what the various positions are for.

**MEMBERSHIP AND BY-LAWS COMMITTEE:** Ric Young

- Committee Meeting Report: There was no December committee meeting.
- Ric provided a list of new members and the Club Ambassador assigned to each new member. However, there was no data provided regarding the contact between the ambassador and the new member.
- The annual membership count report shows that there are 49 new members, and 69 members that have resigned through November.
- Barbara requested that the Membership committee look into ideas and opportunities to advertise the Club. Jon Heffron advised that he would review opportunities for advertising as it relates to the regulations covering advertising by private clubs.
- Ric advised that the participation at the membership committee meetings and the enthusiasm of the committee was somewhat in decline due to the direction of membership numbers and that attracting members and getting them to the meetings was becoming more difficult.

**GOLF COMMITTEE:** John Wheeler

- Committee Meeting Report: Reports for October and December are referenced.
- John reviewed some of the upcoming golf events for 2017. He also advised that participation in events has been declining and that new approaches to getting members involved are required.
- John advised that Thane has suggested we develop tournaments for charitable causes and open these tournaments up to members and non-members.
- John advised that the 2017 calendar of events was approved by the committee.
- The committee also reviewed the necessity to adhere to cart traffic rules to protect the golf course.

**GREEN COMMITTEE:** Jon Heffron

- Committee Meeting Report: Report referenced.
- Jon advised that the GCM Department was under budget for 2016 and that the 2017 budget would be lower than the 2016 budget.
- Jon advised that productivity is up due to the change in how the lunch break is handled. The lunch break now is 30 minutes of unpaid time.
- It was noted that the replacement of grass on various greens has resulted in a successful replacement of grass and that these greens are responding well.
- Jon discussed the approved program of tree trimming and removal and that this work was currently being performed. Also that the chemical management of the golf course was improving and that all the necessary chemical management requirements for 2017 were budgeted and scheduled.

**OLD BUSINESS:**

- The Nominating Committee said that they had three members who have agreed to run for the Board in 2017 and that they were looking for at least one additional candidate.
- It was agreed that the Board should follow up on the possible sale of the Moroles sculpture. Because the sculpture is a fountain and that the base of the sculpture is integral to its operation, there could be considerable expense involved in removing and reestablishing the piece. A further analysis is expected regarding the feasibility of the sale and the possible value to the Club. Evidently, no one on the board is taking responsibility for following up on the sale.
- Jon will follow up with Key Allegro Real Estate to determine the status of the sale of the property adjacent to the tennis courts and the response from local builders to this property.
- The Board reviewed the proposed 2017 budget for RCC. It was noted that an approximate 3% increase has been budgeted in total revenues and that reaching that goal will be very challenging if membership does not grow in 2017. Rick reviewed the changes in the total club payroll and the reasons for these impacts. He also advised that the operating expense budget was created using a zero-based budget and had little or no budgeted reductions available if the

club were to meet expectations. He also advised that hiring a full time marketing manager would be required to maintain and grow membership and supported the advertising initiatives being proposed.

- Rick identified other key areas that would have to be well managed if the Club were to meet budget expectations in 2017.
- A motion was made and seconded that the 2017 budget be approved. The motion was approved with no increase in dues for 2017.

**NEW BUSINESS:**

- Barbara introduced the topic of the service charge on food and beverage and the membership's perception of this procedure. There was a discussion regarding the service charge, wait staff wages, and various implications of changing the procedure. This topic was also recommended to be added to the annual meeting agenda.

**CAPITAL EXPENDITURES:**

- A motion was made, seconded and approved for the capital expenditure request to purchase a hot water heater in the amount of \$5,000 plus any additional tax or installation charges.

**ADJOURN:** Upon a motion made and seconded, the Meeting was adjourned at 10:30 AM.