ROCKPORT COUNTRY CLUB MEMBERS ASSOCIATION

BOARD OF DIRECTORS MEETING MINUTES

June 21, 2017

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:** Jon Heffron-President, Stan Davis – Secretary/Treasurer, John Wheeler-First Vice President, Charles Giesey, Mike Couvillion, Ric Young, Herb Sutter and Chet Cloudt.

Not attending was: Tiffanie Hoover.

Also in attendance were: James Creekmore 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:** May 2017 Board Minutes: Approved with no changes.

**MEMBER CORRESPONDENCE:** Presented by the General Manager.

* The Board reviewed a complaint from a new member regarding courtesy on the golf course. The Board recommended that all members should try to assist new members, that pace-of-play, out-of-position in the flow of play and common courtesy should be observed.
* The Board also recommended homeowners should not be addressing guests of the club or outside-event golfers from their back porches regarding maintenance of the golf course.
* These concepts will be part of the new member orientation and will be brought up to others as necessary.

**FINANCE REPORTS:** Presented by James Creekmore, Reports referenced.

* Balance Sheet and Income Statement
* Cash Flow
* Cash on Hand
* Projected Cash Balance
* Total cash projected for February 2018 is currently estimated to be $283,320 based on adjusted year-end net income, no proposed capital expenditures and expected cash flow from operations.
* There was a discussion regarding what was the number of members that could leave the club before the club might be in danger of being a going concern. Discussion centered on the fact that there were numerous factors besides membership that would impact that outcome. Our accountant advised that as long as cash flow was positive, continuing operations would not be interrupted. At the time that annual cash flow were to turn negative on a continuing basis, would be the beginning of concern for an ongoing business. He also advised that cash flow was currently not in jeopardy.
* There was a discussion as to why the cost of goods sold in the dining room had risen from 42% to 49%. There was an agreement to develop menu pricing cards to more effectively manage cost and menu pricing. Rick will also direct the F&B Director to focus on any other factors impacting this relationship.
* Rick reviewed the past-due receivables list and advised that most of the accounts were being followed-up on and that he was not overly concerned about any account at this time.

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

* Rick provided the Board with the May Financial Review. Total membership has gone from 473 in May of 2016 to 449 in May of 2017.
* There were no other specific questions from the Board regarding the report; a copy is referenced to these minutes.
* Rick provided the Board with a handout of potential actions the club could take to improve financial performance. This included summer hours of operation; changes at the swim, tennis, fitness area; converting the club to “semi-private”, convert dining operations to grill only.

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

* Committee Meeting Report: There was no May committee meeting.
* The fencing and key-card entry to the STF area was discussed and it was determined that setting up a key-card entry system would not be pursued at this time.
* A motion was made and seconded to change the rules and regulations to remove any reference to the Club providing a Life Guard at the pool during the summer months, or at any other time.
* The new signage at the pool is in place.
* Starting Monday, June 26, 2017, Jimmy Aleman will become an independent contractor working under contract with RCC to provide Professional Tennis Services and oversight of the STF facility.

**HOUSE AND ENTERTAINMENT COMMITTEE:**

* Committee Meeting Report: Report referenced.
* Mike advised that Republic has provided a new dumpster to attempt to keep the raccoons out of the garbage.
* The committee has selected a new phone system with Voice-Over-Internet Protocol from Tele-Pacific.
* The committee is reviewing the rules and regulations and will be making their recommendations for changes.
* The Bistro air conditioning unit has stopped working. There was a discussion to look into drapes or reflective window coatings in the Bistro to assist in cooling this area. The GM and house committee chairman will look into the removal or disconnection of the smoke-exhaust system in the Bistro as well as the sizing of the air conditioning unit to be replaced.
* Because of the necessity and the timing of Board meetings, a motion was made and seconded to authorize the Executive Committee to approve the capital expenditure for the air-conditioning system after all necessary review and pricing has been completed. The motion was approved.

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

* Committee Meeting Report: The membership committee had not convened for their June meeting prior to the Board meeting.
* Stan Reeder is pursuing the proposal with Hogan Homes to create a package that will allow the first 5 buyers in their new development to have a full membership at RCC.
* Stan has also prepared an exhibit of marketing ideas to promote membership and awareness of RCC with programs that could be taken to actively market the club. The Board has been requested to review this exhibit and be prepared to discuss at the next Board meeting.
* Rick advised that net members for May were negative while June membership numbers were positive as of the June board meeting. The May membership data was not available to the Board for the scheduled board meeting.

**GOLF COMMITTEE:** Charles Giesey

* Committee Meeting Report: Report referenced.
* Total rounds of golf up for the month and year-to-date.
* Charles reviewed June golf events and upcoming July golf events including the July 4th scramble.

**GREEN COMMITTEE:** Herb Sutter

* Committee Meeting Report: Report referenced.
* Herb reviewed the current activity by the GCS and crew which included the fertilization program, mower height of fairways, and irrigation.
* John Zuniga will evaluate the irrigation-filtration system for maintenance and improvements and development of a comprehensive plan for long term maintenance of all course facilities.
* There was a discussion regarding improvements on course bridges regarding what has been done and what remains to be completed.
* Herb presented the adjusted mowing heights that will be used during the summer months for tees, fairways, greens and the rough.

**OLD BUSINESS:**

* Rick provided the Board with a list of capital expenditure requirements by department. He has agreed to prioritize the list by department and schedule the timing of capital expenditures over a planning horizon.
* There was a discussion regarding the sale of the lots by the tennis courts. The Board has agreed to continue the existing listing agreement but not to extend the listing agreement. The GM will get pricing estimates from outside contractors to clean up the property and further analysis will be done to determine our next actions on the sale of the property. The board would like to get a report from the listing agent on what marketing efforts have been implemented regarding the sale of the property, which contractors have been contacted and their response to regarding any purchase of the property.
* Rick provided a series of Profit and Loss statements on various events, dinners and tournaments which the board will review for the next meeting.

**NEW BUSINESS:**

* The board requested that the GM attempt to quantify the financial effects of recent board decisions to assist in projecting year end budget impacts as well as future budget impacts in subsequent years.
* A member has made a request to purchase club property directly behind his house. The property in question is not subject to play on the golf course nor does the club see any future requirement that would justify not selling the property to the member. The member will pay fair-market value for the land and pay all costs for survey and completion of the conveyance of land. The club will incur no expenses in this transaction other than possible capital-gain taxes on the sale of property.
* The Board also decided that the sale of RCC land to other members may be allowed in the future if the same conditions were to apply, although each potential transaction will be evaluated on its own merits.
* Although the club has no objection to the sale, the transaction was not approved until a full proposal is made and the club has done their due diligence regarding the transaction.
* The GM proposed closing the dining room on Wednesday evenings due to lack of business. During the summer months, the records show that the club does not cover its overhead on Wednesday nights except for fried chicken night. The proposal to close on Wednesday nights is to begin July 5, 2017 continue until September 27, 2017. This proposal was approved by the Board. Should this action prove problematic, dinner on Wednesday nights could be resumed.

**CAPITAL EXPENDITURES:**

* A capital approval request to contract the construction of a new wood fence around the swimming pool and add additional fencing and repairs around the tennis courts was proposed in the amount of $9,500. A motion was made and seconded to accept the proposal and was approved.
* A capital approval request to replace the keg-holder in the bar area was proposed in the amount of $3,000. A motion was made and seconded to accept the proposal and was approved.
* A capital approval request to replace the stainless steel sink in the bar area was proposed in the amount of $3,000. A motion was made and seconded to accept the proposal and was approved.

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