ROCKPORT COUNTRY CLUB MEMBERS ASSOCIATION

BOARD OF DIRECTORS MEETING MINUTES

July 19, 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, Tiffanie Hoover and Ric Young.

Not attending was: Mike Couvillion, Chet Cloudt, and Herb Sutter.

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

The President convened the meeting at 8:00 AM.

**GUESTS:** There was one guest, David Denham.

* David Denham, with the Club’s approval, has been working with Prosperity Bank to arrange a loan to the Club to renovate the Club’s facilities. David and the Bank have developed several financing alternatives for the Club to borrow $1,250,000 for capital improvements to the Club and golf course.
* Improvements have been identified which would exceed $1.25 million, but the Club has also identified several improvements that could be prioritized to improve the appearance of the Club and its facilities.
* In order to repay the loan, it would be imperative that the membership decline that the Club has been experiencing over the last several years would have to be reversed and a net increase of 30 to 50 new members would be necessary.
* The GM has arranged to have a Country Club consultant visit RCC on July 28th to discuss in very general terms what type of improvements our Club needs, a general idea of the cost of such improvements, and the membership impact that might be expected from these improvements.
* The board has agreed to meet with the consultant, review the presentation and feasibility of such a project, and to further evaluate Mr. Denham’s proposal.
* The Board also wishes to thank David for his interest in the Club and the extensive work he has performed for the Club’s benefit.

**APPROVAL OF MINUTES:** June 2017 Board Minutes: Approved with no changes.

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

* There was no member correspondence presented.

**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 2018 is currently estimated to be $279,845 based on adjusted year-end net income, no proposed capital expenditures and expected cash flow from operations.
* Total Income for the month was $15,381 under budget and $38,906 under for the year. Total Expenses for the month were $31,942 under budget and $73,820 under for the year. Net Income year to date is $34,914 over budget.

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

* Rick provided the Board with the June Financial Review.
* There were no other specific questions from the Board regarding the report; a copy is referenced to these minutes.
* The GM also provided the committee with an exhibit showing the average price of all menu items and the average cost-of-goods-sold for each item. The exhibit also calculated the average percentage of cost-of-goods-sold. The exhibit indicated there were several items that should be re-priced.
* Rick will work with Karen Fernandez to get the dining room cost-of-goods-sold closer to the 42% range.
* There was a discussion about the Profit and Loss Statements and the board advised they liked the P/L statements and looked forward to continued use of these tools.
* There was a review of the Past Due Receivables list. There was one account that was worrisome, but Rick advised he had spoken to the member and that payment would be forthcoming.
* There was a discussion regarding the Club’s guest and member-only policies. There are a number of individuals who have resigned from the Club who regularly use the Club as a guest. It was determined that individuals that live in Aransas County would have limited guest privileges. Guests are welcome to visit the Club to determine if they would like to be members, but that repetitive guests could not continue to use the Club as members unless they joined the Club. Rick has agreed to develop procedures, pricing and notification to those individuals who are abusing the guest privilege.

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

* Committee Meeting Report: There was no June committee meeting prior to the Board Meeting.
* The new fence around the pool area is currently being erected.

**HOUSE AND ENTERTAINMENT COMMITTEE:**

* Committee Meeting Report: Report referenced.

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

* Committee Meeting Report: The membership committee had not convened for their July meeting prior to the Board meeting.
* There was some discussion about advertising the Club on bill boards on Highway 35 By-pass, but pricing seemed to be high for the Club’s budget.
* There was some discussion regarding the Marketing Director’s efforts in developing his marketing plan and contacts made with organizations in the area to promote membership.
* 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.
* Although there were nine new members to the Club in June, there were eleven resignations and two status changes that in total resulted in a decrease of monthly dues of $713.

**GOLF COMMITTEE:** Charles Giesey

* Committee Meeting Report: Report referenced.
* Total rounds of golf up for the month and year-to-date.

**GREEN COMMITTEE:** Herb Sutter

* Committee Meeting Report: Report referenced.
* It was noted that RCC does not currently have any employees that are licensed by the County to operate the mosquito spraying equipment. John Zuniga and Rick are working on resolving the situation.

**OLD BUSINESS:**

* Jon advised that he was going to renew the listing agreement for the sale of the property abutting the tennis courts and that would re-establish the MLS Listing and reflect the current asking price of $249,000.
* Rick provided a series of Profit and Loss statements on various events, dinners and tournaments which the board will review for the next meeting. This will be put on hold until after the July 28th meeting with John Cochran.
* A motion was made and seconded to sell to Jack Wright a strip of land between the number 10 green and the number 11 tee box which belongs to RCC. This property is not on the golf course and will not affect golf play in any way. The motion is approved pending the final contracts and paperwork is all completed in good order.
* Replacement of the air conditioning unit in the Bistro room has been put on hold until after the July 28th meeting with the club consultant.
* Rick presented the Board with a handout which identifies possible actions that could be initiated to reduce costs if the membership decline were to continue. He also advised that the closing of the dining room on Wednesday nights for the summer had not created any negative feedback from members.
* Review of the Rules and Regulations, other than our guest policy, was tabled until a future meeting.

**NEW BUSINESS:**

* Jon requested that the Board members review the operating plans presented by the GM to be reviewed by the board at the August meeting.
* Jon has also advised that the Club should be looking at the possibility of selling the property located along the 18th hole, the 1st hole and the driving range.

**CAPITAL EXPENDITURES:**

* There were no new capital expenditures requests.

**ADJOURN:** Upon a motion made and seconded, the Meeting was adjourned at 10:45 AM.