

**2020 Rockport Country Club Members Association
Annual Meeting
Agenda 9:00 AM**

Call meeting to order

Quorum Announcement

Introduction of Board Members / Staff

Approval of minutes of 2019 Meeting

Nominating Committee Report

Chair: Chet Cloudt

Committee Members: Elyce Kahn, Mike Couvillion, Bull Durham, Jeanette Rae

Nominees: Don Dye, Jerome Foust, Tiffanie Hoover, Jeff Hulse, Arno Peshorn

Treasurer's Finance Committee Report – James Creekmore / Charles Marsh

Golf Committee – Red Hunt / Thane Emerson

Greens Committee – Herb Sutter / Derick Hashimoto

House Committee – Elyce Kahn / Gordon Johns

Membership / STF Committee – Glenn Kliebert

General Manager – Rick DeLoach

President's Report – Craig Bohn

Election Results

2019 Annual Meeting Minutes

ROCKPORT COUNTRY CLUB MEMBERS ASSOCIATION
ANNUAL MEMBERS MEETING
MARCH 23, 2019

The Annual meeting of the members of Rockport Country Club Members Association was held on March 23, 2019 at the Club's Main Ballroom located at 101 Champions Drive, Rockport, Aransas County, Texas.

Board Members Present: Jon Heffron - President, Ric Young – 1st Vice President and Membership/Bylaws Committee Chair, Charles Giesey, 2nd Vice President and Golf Committee Chair, Chet Cloudt – Treasurer/Secretary and Finance Committee Chair, Elyce Kahn - House Committee Chair, Tiffanie Hoover – Tennis/Swim/Fitness Committee Chair, John Hitchcock – Green Committee Chair, Herb Sutter and Glenn Kliebert.

ADMINISTRATIVE MATTERS:

- Call to Order: President Jon Heffron called the meeting to order at 9:00 AM.
- Quorum Announcement: The names of Election Judges were announced; Bill Keyworth and Butch Adams. With the mail-in ballots and the members in attendance, it was reported that a quorum was reached for the meeting.
- Introduction of Board Members/Staff: President Jon Heffron opened his personal remarks by thanking the Board of Directors, election judges, the special nominating committee, all of the members in attendance and those who responded to the ballot for the election of new directors. He also gave special thanks to the Club's staff, especially Rick DeLoach for their hard work and loyalty to the Club throughout the past year.
- Approval of Minutes of 2018 Meeting: Members were asked whether there were any questions, revisions or edits to the minutes of last year's meeting. After a request for questions, a motion was made and seconded to approve the minutes, as written. A vote was taken and the motion carried.

NOMINATING COMMITTEE REPORT (JOHN HITCHCOCK, CHAIR):

- John Hitchcock reported the names of the members who had been nominated to serve as Directors for the coming year. They were: Craig Bohn, Red Hunt, Vicki Buck, Bill Maxwell and Charles Marsh.
- John also thanked the Nominating Committee members Arno Penshorn, Bull Durham, Barbara Smyth, and Mike Couvillion for their service.

TREASURER'S/FINANCE COMMITTEE REPORT (CHET CLOUDT, CHAIR):

- Chet thanked the Finance Committee members Don Dye, Craig Bohn, Charles Marsh, Glenn Kliebert and Ken Vestal for their service. He also thanked Rick DeLoach, Jon Heffron and James Creekmore for attending the meetings and providing their valuable input. Chet reported that the Finance Committee had met 7 times during the previous 12 months. The major actions of the Committee in 2018 were:
 1. Analysis and recommendation for dues reinstatement and amounts effective September 1, 2018 when the Business Interruption Insurance coverage ran out, and;
 2. The approval and recommendation to the Board of the 2019 Budget. The highlights of the 2019 Budget were then reported, as follows:
 - Total Income of \$2.78 mil
 - Total Operating Expenses of \$2.5 mil
 - Net Operating Income, before depreciation and amortization of \$278 K
 - Principal debt reduction of \$135 K, and
 - Capital Fund cash accumulation of \$120 K

2018 CPA REPORT & ANNUAL AUDIT REPORT (JOHNSON & CREEKMORE):

- James Creekmore introduced himself as Partner of Johnson & Creekmore and stated that this is the firm's 16th year on the Club's audit (Audit Report referenced). James stated that the opinion given in the Audit was "Unqualified", meaning that it was a clean report. A page by page summary of the Audit Report was then given, with mention given to the special entries made due to Hurricane Harvey insurance matters. There were no questions concerning the Audit.

GOLF COMMITTEE (CHARLES GIESEY, CHAIR):

- Charles thanked all of the members, who served on the Golf Committee, Vicki Buck, John Hitchcock, Dan Holitzke, Jeff Hulse, Red Hunt and Arno Penshorn. He then highlighted major golf activities during the year, as follows:
 - 15,547 rounds of golf were played in 2018 with total golf revenues of approximately \$455 K and merchandise sales of \$50 K.
 - 40 new Club Cars leased by the Club.
 - 8 outside golf events were conducted, despite having to cancel and reschedule many due to adverse weather and that 16 were already scheduled for 2019.
 - Institution of a Player Development program at a cost of \$20 per month for individuals or \$25 per month for a couple.
 - Nine-hole evening golf events called "Golf & Grub", which had been a big success with plans to continue it.

- On-line tee-time reservations, which we will soon be able to do from the RCC App or personal computer.
- Charles then announced the Club Champions for the 2018 year.

Men's Champion: Dan Holitzke

Ladies Champion: Eunice Hellums

Men's Senior Champion: Tommy Wright

- Charles closed his remarks by stating that the Golf Shop still has a "Best Price" guarantee on all merchandise and encouraged everyone to shop there.

GREEN COMMITTEE (JOHN HITCHCOCK, CHAIR):

- John thanked John Zuniga, Golf Course Superintendent, the golf maintenance staff, Rick DeLoach and Jon Heffron. He also thanked the members of the committee, Craig Bohu, Dan Holitzke, Herb Sutter, Elyce Kahn, Bruce Hood and Ken Wollin.
- John then went over the golf course maintenance expenses for the year and the amount spent for storm-related work. He also said that over 1,200 trees on the course had been downed by the storm. He mentioned the continued challenges to golf course recovery from the storm and algae damage to the greens from excessive rains this past fall and winter.
- Other notable Green Committee activities/accomplishments during the year were:
 - Purchase of a new fertilizer spreader with funds donated by the MGA
 - Enhanced bunker maintenance resulting in improved bunker playability
 - Upgrades in electrical equipment at the City wastewater facility
 - Construction of a new maintenance building for completion this spring/summer
 - Bunker improvement initiatives. Meeting with golf course development company to look at the cost/feasibility of renovating bunkers, and
 - Laying of 56,000 sq. ft of sod due to damage from excessive rainfall

HOUSE COMMITTEE (ELYCE KAHN, CHAIR):

- Elyce first thanked all of the members of the House Committee, Jim Mixon, Jeanette Rae, Shelley Gatlin and Lisa Gordon for serving on the Committee.
- Elyce then summarized the highlights of the Committee's notable activities/accomplishments during the year:

- Design layout of the space for the bar, casual dining, fine dining and banquets areas
- Days and hours of operation and responses to demand/requests of members
- Elimination of the 16% mandatory service charge and adjustments to food and beverage pricing, as well as tipping suggestions to chits and 16% tip for unsigned chits
- Conducted member survey on naming of the Copper Room
- Hiring of a new executive Chef, Gordon Johns. Provided advise on menus, wait-staff compensation/tipping model
- Generation of more outside social events to increase F&B income and creation and hosting of events to include Club members and members of the community
- Creation of a fair/workable operating model for non-member gamers
- Creation of weekly food and beverage specials and Tuesday night specials

MEMBERSHIP & BYLAWS COMMITTEE (RIC YOUNG, CHAIR):

- Ric opened by thanking the members of the committee, Tiffanie Hoover, Jason Gordon, Bill Maxwell and Mary Lynn Rhodes. He also recognized Stan Reeder for the remarkable job he has done selling memberships.
- He then went over a handout showing all types of memberships sold in 2018 (101 new) and sold so far in 2019 (36 new), which has generated over \$225 K in dues revenue for the Club. He also commented that our existing members are the best salesmen for the Club.
- A summation of the Club's membership status was then provided:
 - Total membership today at 520
 - 137 sold from the start of 2018 through today
 - 39 membership resignations in 2018 and 17 in 2019
 - Net gain of 81
- A summary of membership marketing activities going forward was then given:
 - Provisional Membership program will continue
 - New membership offerings to subdivision HOA members
 - Member 4-A-Day program
 - Mobile App, and
- Ric closed by emphasizing the importance of member referrals

TENNIS / SWIM / FITNESS (TIFFANIE HOOVER, CHAIR):

Tiffanie thanked all of those members who provided input to the T/S/F Committee. She then highlighted the activities and accomplishments of the Tennis/Swim/Fitness Committee:

- Repair of fence/gate post hurricane and new wind screens
- Parking lot lights to be replaced
- Tennis Court lights being evaluated for replacement depending on availability of funds
- Will not hire a tennis pro - Jimmy Aleman still available for private lessons
- New security fobs to access fitness/pool areas 24/7
- LED lights in pool seating areas
- New expanded Fitness Center 99% complete and up and running
- New remodeled men's and women's locker rooms and showers -100% improvement
- Pool equipment doors to be installed soon
- Utilization of RCC App to order food at the pool and pick up at the bar

GENERAL MANAGER'S REPORT (RICK DELOACH):

Rick opened his remarks by complimenting the Board for countless hours of work performed in the wake of the hurricane. He then gave recognition to Barbara Smyth and the work of the Special Clubhouse Committee. He also gave thanks to all of the employees for their hard work and dedication to the Club. He spoke about the hiring of ClubDesign Associates to redesign and act as general contractor for the complete renovation and rebuild of the clubhouse and fitness center. John Cochran and his staff were given credit for 98% of the rebuild activities.

Highlights of the accomplishments during the year were:

- Complete renovation of the clubhouse and fitness center
- All new furnishings
- New fleet of golf carts
- New golf apparel options in the Golf Shop
- Range balls now included with all golf memberships
- Upgrade of member billing and payment options; EasyPay with credit card or bank draft
- Employment of Executive Chef, Gordon Johns
- Elimination of 16% service charge, and
- Modification of Food & Beverage minimums to annually for Non-Resident, monthly for Dining and quarterly for all others.

Rick then mentioned the **Focus Areas Moving Forward:**

- Membership satisfaction with all aspects of the Club
- Continued push to add new members, and
- Product quality improvement in all areas of operation

He stated that the **Critical Issues Ahead** in 2019 are:

- Ways to deal with and offset resignations of an aging membership
- The “Harvey Impact” to the community, which is still in a recovery mode, but that we had managed to add 101 members to the Club during 2018 in spite of it, and
- Increasing the number of golf rounds, including outside play, along with F&B usage

Rick closed his remarks with a discussion of **What’s Coming**.

- The RCC App to improve member communications, food & beverage To-Go orders, online tee-time reservations and GPS yardage for the golf course, score keeping, and
- New Website enhancements to encourage its use. Renovations are now in progress to coordinate and incorporate the benefits of our EasyLinks system. When completed, all members will have a new user name and password

Rick closed by giving special recognition to Jon Heffron for his incredible hard work and leadership to the Club, as President. He stated that we were very lucky to have had Jon as President and that he was the right person, in the right place, at the right time for the Club.

HURRICANE HARVEY RECOVERY AND REBUILD AND PRESIDENT’S REPORT (JON HEFFRON):

- **Hurricane Harvey Recovery & Rebuild:** Jon opened his remarks by going over the Cash Receipts and Disbursements for the year. Insurance proceeds of \$4.5 mil out of a total \$5.1 possible were collected. We had total cash receipts of \$5.7 for the year with all others funds coming from our bank line of credit, the copper roof salvage, member donations (also mentioned contribution of labor by many members) and a land sale. He added that our Total Disbursements amounted to approximately \$5.5 (See list of items for detailed breakdown). This information will be posted on the Club’s website. Of special mention was that our Business Interruption Insurance paid for the Cash Operating Loss of \$1.2 mil sustained from September 2017 through December 2018. He further stated that the Club will likely incur a total of approximately \$1.5 mil in total debt, which will be serviced through a long-term note to be put into place later this year and that the 2019 Budget assumes the servicing of this debt.
- **Accomplishments** over the past year were then sited:
 - Improved communications and transparency with membership, i.e., email blasts, website, etc.
 - Recovery from a major hurricane, rebuilt to state-of-the-art facilities
 - Maintained the Club’s financial position. \$470 K on the day before the storm – now stands at \$490 K

- Implemented numerous operational, policy and procedural changes to modernize and increase efficiencies
 - Growth in membership through Provisional Membership offerings
 - Added substantial value to members without raising dues since early 2017
 - Improved member satisfaction with Club services and amenities, and
 - Continuation of the Club on a path for long-term success
- **Challenges** to our Club were then listed:
 - Urgency to gain new members to offset resignations of an aging membership
 - Continued improvement of operations and staff performance
 - Critical to continue to pursue sources of non-member revenues from outside events and golf rounds
 - Continue to “remake” the Club to be responsive to changing recreational and social demographics, demands and interests, and
 - Address the deferred maintenance and repairs to the subdivision drainage system, of which the golf course and lakes are a part

Jon also stated that the subdivision represents approximately \$2 mil/year in property tax revenues to the County/City and that the drainage problems are the responsibility of the City and **not the Club**. An email blast regarding these issues and risk factors is being sent out to the membership, so everyone is aware of the problem. The City has applied for a post-hurricane grant in excess of \$500 K to address this problem, but there’s no way of knowing if and when this will happen. He also mentioned that the subdivision HOA is having its Annual Meeting next week and they will have City officials there to discuss the drainage issues. He then reported that TXDOT is supposed to be doing work on the ditches to relieve the drainage backup in the lake near the #16 tee-box and along Pearl Street.

- The following **Acknowledgements** were then made:
 - Support of the members, especially post-hurricane
 - Recognition of the managers and staff for hard work and dedication
 - Thanks to all committee members and the need for members to serve on committees and the Board of Directors
 - Thanks to all Directors in 2018-2019 with special recognition to those who retired last year, John Wheeler, Mike Couvillion and Stan Davis
 - Thanks to Rick DeLoach, General Manager for a job well-done – stuck with us through the rebuild and did a great job
 - He then gave thanks to the outgoing Officers and Directors, Ric Young and Tiffanie Hoover for their time and dedication to the Club, and presented them with commemorative plaques recognizing their service.

At that time, Rick DeLoach stepped forward and gave thanks to Jon Heffron for all of his extraordinary time, expertise and effort as President of the Club and presented him with a commemorative plaque, as well. A standing ovation followed for all.

ELECTION RESULTS: DIRECTORS & PROPOSED NEW BY-LAWS:

The election of the new directors was then announced, as follows:

Craig Bohn, Vicki Buck and Red Hunt

It was also announced that both proposed amendments to the By-Laws passed.

MEMBER QUESTION & ANSWER: There was a call for questions from the membership. Stan Davis asked if the list of members and Bylaws would be provided in the form of a booklet. Jon responded that it would be made available through the website in order to save on printing costs. John Jackson, long-time member and resident then stood and personally thanked Jon and the Board for their work and guidance after the storm.

ADJOURN: With no further business coming before the meeting, the President adjourned the meeting at 10:10 AM.

2020 Annual Meeting Minutes

**2020 Rockport Country Club Members Association
Annual Meeting Minutes
March 28, 2020**

Current Board Members in attendance were: Craig Bohn, President, Charles Giesey, Chet Cloudt, Charles Marsh, Red Hunt, Elyce Kahn, Herb Sutter, Glenn Kliebert and Bruce Hood

Also, in attendance were:

Election Judge - Bill Keyworth

New Board Nominees - Don Dye, Tiffanie Hoover, Arno Peshorn, Jerry Foust and Jeff Hulse

Others - Rick DeLoach, General Manager and James Creekmore, Johnson and Creekmore

Call Meeting to Order - Craig Bohn called the meeting to order at 9:00 AM

Quorum Announcement – Bill Keyworth announced that there was a quorum for the meeting and then announced the names of the newly elected Board Members, as follows:

Arno Peshorn, Jeff Hulse and Jerry Faust

Craig then thanked all of the nominees who agreed to run for the new Board.

Introduction of Board Members/Staff – Craig Bohn then introduced all of the current board members and staff and gave a special thanks to those outgoing members, Chet Cloudt, Charles Giesey and Herb Sutter. He also gave special recognition to Rick DeLoach for a job well done during the past year.

Approval of Minutes of the 2019 Annual Meeting – A motion was made and seconded to approve the minutes of the 2019 meeting. A vote was taken and the motion carried.

Nominating Committee Report – Chet Cloudt, Chair, Mike Couvillion, Bull Durham, Elyce Kahn and Jeanette Rae. Chet reported that we were fortunate to have found 5 qualified members (named above) to run for election to the board. He also urged all new committee chairs for the coming year to find people for their committees who are willing to run for the board in the future.

Financial Reports/2019 Audited Financials (James Creekmore) – James first mentioned that the audited report was unqualified. He then went over each major line item in the report. A copy of the audited financials was provided to each person present at the meeting and will be

available to all club members, via the website. There were no questions regarding the financials.

Committee Reports - Craig announced that due to the circumstances regarding the virus there would be no verbal reporting at this meeting by the Committee Chairs. A copy of each committee report was provided in the meeting packet and are available to all members. Craig then thanked all of the committee chairs for the work put in during the past year.

General Manager's Report (Rick DeLoach) – Rick referred to his report, which was included with the meeting packet. He then directed his attention to the Coronavirus, including the impact to the club and what actions are being taken to combat it. He said the dining room is closed but we are offering both take-out and delivery options to our members. He stated that he is pleased with the response to these offerings from the members so far and mentioned that the club did approximately \$5,600 in gross F&B sales this past weekend. He said we will continue to work out the bugs and streamline our operations. He also stressed the importance of our members calling ahead in a timely manner for F&B service. Jerry Foust mentioned that he and his wife had ordered take-out food from the club and that the food quality and service was excellent.

Rick then reported that we had reduced staff as a result of the virus. He categorized the various staff reductions as Layoffs, Self-Quarantines, Failures to Report After Calling in Sick and Hourly Reductions and listed all of the employees falling into each category. He also said that the club had a cost-reduction contingency plan in place prior to the virus outbreak and that it was helpful in dealing with this extraordinary, unexpected event. He also said we had instituted a spending freeze and will try to draw off of our existing inventories as much as possible, which may reduce our F&B offerings for a while as we work those inventories down.

Rick then reported that we had negotiated a 60-day payment grace period with DLL Leasing (carts), John Deere Leasing (maintenance equipment) and had visited informally with Prosperity Bank regarding our bank note. All parties agreed to the 60-day grace period with no fees, penalties or interest.

Finally, Rick provided an expense forecast for April through June for all major functions of the club. He also said that we should be able to successfully maintain the club through this period, barring a significant reduction in membership. He concluded by saying that he had spoken with Mayor Rios and that the golf course will remain open, subject to the adherence to strict guidelines put into place on social distancing.

Adjournment – There being no further business to conduct, the meeting was adjourned at 9:30 AM.

Finance Committee / Audit Report

Audit Report

For a full copy of the annual audit report please
request from the Administrative Office

ROCKPORT COUNTRY CLUB MEMBERS' ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

ROCKPORT COUNTRY CLUB MEMBERS' ASSOCIATION

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Independent Auditor's Report

Board of Directors
Rockport Country Club Members' Association
Rockport, Texas

We have audited the accompanying financial statements of Rockport Country Club Members' Association, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rockport Country Club Members' Association as of December 31, 2019 & 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Johnson & Creekmore, PLLC
Rockport, Texas
February 28, 2020

Johnson & Creekmore, PLLC

Golf Committee Report

ROCKPORT COUNTRY CLUB
GOLF COMMITTEE
ANNUAL MEETING REPORT
MARCH 28, 2020

Rounds of Golf: 2019 Total Rounds were 18,115
14,980 Member Rounds 3,135 Guest Rounds
Total Rounds were up 2,568 over 2018
Year to date we are up 1,037 over 2019

Merchandise Sales 2019 \$107,439 2018 \$50,231

Golf Car Update We currently operate and maintain 40 ClubCar
Tempo Golf Cars with the Shark Experience which includes
GPS yardage and Music system.

There are 92 Private Golf Cars currently registered by
Resident Members.

Golf Events We held 15 Outside Corporate and Charity events
In 2018. We have 16 scheduled so far this year.

This past year we began hosting a local PGA Junior League
Program. We had over 60 kids participate in the Spring and
Fall sessions.

The Player Development Program continues to be
a great way to provide players an opportunity to
get started or tune up to start back playing again.

The Rockport CC "APP" continues to be utilized more by and
more RCC Members to assist in booking tee times online.

Monthly Rounds History

Month	2020	2019	2018	2017	2016	2015	2014	2013
January	1,601	1,225	230	1,608	1,550	1,551	1,764	1,784
February	1,790	1,374	1,286	1,966	2,002	1,855	1,660	2,128
March	0	1,746	1,928	2,063	2,079	2,186	2,265	2,800
April	0	1,914	1,997	2,279	2,107	1,470	2,411	2,264
May	0	1,705	1,900	1,623	1,551	1,431	2,250	2,504
June	0	1,514	1,247	1,575	1,505	1,570	2,070	2,114
July	0	1,603	1,522	1,980	1,743	2,025	1,881	2,042
August	0	1,193	1,408	1,039	1,220	1,499	1,521	1,655
September	0	1,250	516	Harvey	1,402	1,768	1,647	1,747
October	0	1,734	940	Harvey	1,988	1,815	2,440	2,294
November	0	1,494	1,341	Harvey	1,637	1,704	1,498	1,989
December	0	1,363	1,232	Harvey	1,394	1,542	1,552	1,325
Total	3,391	18,115	15,547	14,133	20,178	20,416	22,959	24,646

Rockport Country Club 2020 Golf Operations Operating Plan

Golf Operations

	Total Operating Revenue	Total Expense	Total NOI
2020 Budget	\$531,481	\$223,511	\$242,375

Monthly Revenue Goals

	Budget	Actual	Variance
January	34,081	34,741	660
February	35,987	43,854	7867
March	47,592		
April	55,248		
May	53,449		
June	46,498		
July	49,490		
August	40,574		
September	36,442		
October	51,895		
November	42,695		
December	46,320		
Total	531,481	78,595	8527

Total Operating Expense Golf

	Budget	Actual	Variance
January	\$15904	15,869	(35)
February	\$15,360	17,136	1776
March	\$22,595		
April	20,107		
May	22,937		
June	20,928		
July	18,877		
August	18,023		
September	19,194		
October	18,868		
November	15,459		
December	15,259		
Total	223,511	33,005	1741

Reciprocal and Outside Golf Events

Operating Guidelines

- All reciprocal play must be approved by head professional
- All special event pricing must be approved by the GM in advance of the contract
- All special event groups must have signed contract in place before event date and time are scheduled
- Unless advance approval from GM all special event groups must be paid on day of event or contract terms
- Final head counts due four days prior to event
- F&B menus to be finalized 7 days in advance
- All special events must be scheduled on master calendar / website
- Golf Committee approval is required for all events that require shotguns or course closing

Marketing

- Data base organization (Associate Members) for direct marketing – Golf Specials
- Bounce back play opportunities for all outside golf events
- Member for a day for local businesses
- Groupon program for July and August
- Special member pricing for family guest and guest other
- Contact all past events for future bookings
- Identify members still in workforce for possible PM golf league and or tournaments / events
- Quarterly Demo Days

Greens Committee Report

Report for Greens Committee from Herb Sutter, Chairman

My report will briefly focus on 2019 results, while Derick Hashimoto, the RCC Grounds Superintendent, will cover 2020 objectives.

Our operating expenses for 2019 totaled \$713,790. This compares with budgeted expenses of \$719,459 and last year's expenses of \$653,574. The 2018 expenses were lower, mainly because this was a time of reduced operations, due to recovery from Hurricane Harvey.

Playing conditions are not yet up to our expectations, but when we reflect on where we were just one year ago, we have come a long way in the last 12 months. When Derick arrived in July of 2019, the condition of the course was far below expectations. Remember the condition of the greens, especially #2, as an example. In addition, the bunkers were not being properly maintained, fairways were undesirable, and overall course appearance was not satisfactory.

In contrast, after Derick's arrival, by late summer and early fall we were seeing greatly improved conditions. In late fall and during the winter, we did see thinning of the turf on the fairways and greens, due primarily to cool, cloudy conditions. But with spring sunshine and warmer temperatures, we are again seeing much improved conditions and are poised for great playing conditions in 2020.

In the past year, we have seen the following improvements:

- The bridge on #14 was repaired;
- Trees were trimmed;
- Cattail control has started;
- A new Maintenance Shop was built;
- A 2G2 Air machine was purchased to improve soil permeability on greens;
- Bunker maintenance has improved;
- The pathway and railing on #10 were repaired;
- The drainage along #17 was improved;
- Maintenance of the Club House grounds has improved;
- A key irrigation pump and motor (which failed) was replaced;
- A TruMax rough mower was purchased;
- And the overall course appearance has improved.

Again, it's helpful to review the past - but it's important that we look to the future, as well. Derick and the work crew have performed remarkably well. We thank them for their dedication to their work and appreciate their ongoing efforts to improve and enhance the RCC golf course.

Rockport Country Club 2020 Maintenance Operating Plan

Golf Course Operations

2020 Labor Budget \$437,754

Monthly Payroll Goals

	Budget	Actual	Variance
January	34900	35,062	162
February	33332	33,419	87
March	36001		
April	38944		
May	37431		
June	38944		
July	39236		
August	37431		
September	38652		
October	37026		
November	33782		
December	31975		
Total	437754	68,480	249

Golf Course Operating Expense

	Budget	Actual	Variance
January	13711	14,051	340
February	32491	31,844	(647)
March	31376		
April	31926		
May	35338		
June	36662		
July	19236		
August	18790		
September	20336		
October	16070		
November	13370		
December	12154		
Total	282110	45,895	(307)

Operating Standards Greens

- Mowing frequencies
 - Spring 4-5 times a week
 - Summer 5-6 times a week
 - Fall 4-5 times a week
 - Winter 1-3 times a week
- Aerification Dates
 - April 27 & 28
 - June 22 & 28
 - August 17 & 18
- Fertility
 - Spring Weekly liquid fert apps with primo starting at low rates
 - Summer weekly liquid fert with a monthly granular and primo
 - Fall Weekly liquid Fert with a monthly granular app
 - Winter Bi Weekly liquid Fert
- Mowing heights
 - Spring .150"
 - Summer .125"
 - Fall .125"
 - Winter .135"

Operating Standards Fairways

- Mowing frequencies
 - Spring twice a week
 - Summer three times a week
 - Fall three times a week
 - Winter once a week or as needed
- Mowing heights
 - Spring .750"
 - Summer .500"
 - Fall .500"
 - Winter .625"
- Primo
 - Spring every 3 week
 - Summer every 3 weeks
 - Fall every 3 weeks
 - Winter as need
- Re-shaping by mowing
 - Mowing fwys to give a better look with the contour of the golf course

Operating Standards Roughs

- Mowing frequencies
 - Spring once a week
 - Summer twice a week
 - Fall twice a week
 - Winter mow as need
- Mowing height
 - 1.5" year round

2020 Projects

- St. Augustine
 - Start with the in play areas and tee boxes
 - Make a 15 foot passes around the fairways to start working it out and away
- Cattails
 - Spray and remove
- Drainage
 - Flushing drains and level out low areas to allow water to move.
 - Add drains where we cant get water to move.
- Nursery
 - Redo the sand trap chipping green with tif eagle to have place to take sod or plugs from should we need it
- Dry Ject
 - In June we will dry ject greens
- Aerification Dates
 - April 27& 28
 - August 17 & 18

House Committee Report

2019 Food and Beverage Recap

2019 was a roller coaster year. When we built the 2019 operating model the budget reflected an operating model much different than how the year evolved. As the year evolved, it was almost a 360 degree shift in direction on what the membership wanted and expected. While we increased services and food quality we also increase our payroll, food cost and general overall expenses.

By making this shift in direction we also had a very solid year in total gross revenues. Higher priced food options and more specialty nights combined allow us to generate more revenue than expected. Food cost also ran higher on a percentage than forecasted throughout the year however was within industry standards for a private club generating about \$1M in total revenues.

Overall, we believe the Food quality and presentation is much improved over previous year's primary due to Chef Gordon's expertise. Member satisfaction overall is much improved and we look to continue this trend into 2020 and beyond. In addition to Chef Gordon, the front line staff showed much improvement as the year progressed. While we struggled early on, the front line staff service standards and accuracy improved.

After a year of operations, we believe that we better understand the RCC model and have adjusted the 2020 budget to reflect this model change. Attached is the 2020 operating plan for both the front and back of the house for 2020.

Rockport Country Club 2020 Front of House Operating Plan

Operating Revenue

2020 Bar Revenue	\$254,150
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Monthly Bar Revenue Goals

	Budget	Actual	Variance
January	18,000	24,211	6211
February	19,500	49,412	29,912
March	26,500		
April	25,500		
May	27,000		
June	22,500		
July	21,500		
August	19,000		
September	19,800		
October	18,500		
November	17,850		
December	18,500		
Total	254,150	73,623	36,123

2020 Food Revenue	\$507,200
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Monthly Food Revenue Goals

	Budget	Actual	Variance
January	34,200	41,014	6814
February	54,000	68,719	14,719
March	54,000		
April	48,000		
May	44,500		
June	41,000		
July	38,000		
August	36,000		
September	40,000		
October	35,000		
November	37,500		
December	45,000		
Total	507,200	109,733	21,533

2020 Labor Budget

\$170,000

Monthly Payroll Goals

	Budget	Actual	Variance
January	14,000	13,211	(789)
February	14,200	11,930	(2270)
March	14,200		
April	14,500		
May	15,000		
June	13,800		
July	13,500		
August	13,500		
September	14,000		
October	14,000		
November	14,060		
December	15,240		
Total	170,000	25,141	(3059)

Monthly COGS 30% Beer, Liquor & Wine

	Budget	Actual	Variance
January	5,400	5,998	598
February	5,850	12,349	6499
March	7,950		
April	7,650		
May	8,100		
June	6,750		
July	6,450		
August	5,700		
September	5,940		
October	5,550		
November	5,355		
December	5,550		
Total	76,245	18,347	7097

COGS dollars may vary depending on total sales.

Operating Guidelines

- Monthly inventory to be completed at the end of each month turned in not later than the 5th of each month
- Weekly work schedules to be sent via email to the GM each week
- Grill / Bar must be kept clean at all times
- Grill / Bar must have a professional work atmosphere at all times
- Wait staff must have maintain a professional work atmosphere with all kitchen staff
- All bar, wait staff and clubhouse supplies will be ordered by front of house manager. Ordering guide must be used for Sysco purchases. If Ben Keith is going to continue to be a supplier order guides must be used for their products.
- Member comment cards should be completed by 40% of all members having lunch or dinner.
- All menu items must be costed out
- Quarterly table set up training
- Quarterly Wine presentation training
- Quarterly Menu testing
- Quarterly Server training

Communication / Areas of Focus

- For the overall success of the operation, the wait staff must have an excellent understanding of menu items as well as featured items.
- Continued training for all staff is required.

Rockport Country Club 2020 Kitchen Operating Plan

Kitchen Operations

2020 Labor Budget \$194,800

Monthly Payroll Goals

	Budget	Actual	Variance
January	16,100	15,399	(701)
February	16,500	15,885	(615)
March	16,500		
April	16,200		
May	16,400		
June	16,200		
July	16,000		
August	16,000		
September	16,000		
October	16,200		
November	16,200		
December	16,500		
Total	194,800		(1316)

Monthly COGS 45%

	Budget	Actual	Variance
January	15,390	17,737	2347
February	24,300	21,868	(2432)
March	24,300		
April	21,600		
May	20,025		
June	18,450		
July	17,100		
August	16,200		
September	18,000		
October	15,750		
November	16,875		
December	20,250		
	228,240		(85)

COGS dollars may vary depending on total sales.

Kitchen Operating Expense

	Budget	Actual	Variance
January	7,160	8,752	1592
February	6,935	15,159	8224
March	7,754		
April	9,925		
May	7,190		
June	8,295		
July	6,805		
August	6,630		
September	6,686		
October	6,895		
November	7,150		
December	8,095		
	89,550	23,911	9816

Operating Guidelines

- Monthly inventory to be completed at the end of each month turned in not later than the 5th of each month
- Monthly inventory should not exceed \$15,000 per month at month end inventory
- Weekly work schedules to be sent via email to the GM each week
- Weekly "Featured" items to be offered each week
- Kitchen must be kept clean at all times to included storage sheds and area behind kitchen
- Kitchen must have a professional work atmosphere at all times
- Chef and Staff must have maintain a professional work atmosphere with all front of the house staff
- Chef and or Cindy must attend all regularly scheduled staff, BEO and House Committee meetings
- Ordering guide must be used for Sysco purchases. If Ben Keith is going to continue to be a supplier order guides must be used for their products.
- Menu must be evaluated each quarter and adjusted accordingly to sales and member request
- All menu items must be costed out

Communication / Areas of Focus

- For the overall success of the operation, the kitchen staff must effectively communicate to other departments. Nightly / Weekly specials, Lunch Buffet offerings, etc.
- More time must be given planning, costing, training of staff and managing the kitchen.
- Advanced marketing of featured items and specialty nights are required

Membership / STF Committee Report

Membership, By-Laws, Swim-Tennis Committee

Annual meeting – March 28, 2020

Membership

Last year at this time there were many unknowns about what 2019 would look like for our club. 2019 ended up being a banner year for new memberships. The renovated clubhouse, fitness center and the overall rebound from Hurricane Harvey were the drivers for attracting the new memberships. We continue to receive many positive comments about the bar and service, the quality of food, and the good service from our staff throughout the club. Additionally, we believe the golf course issues last year had a negative impact on potential new members.

Our success in adding new members in 2019 is a result of the types of memberships offered, which was started in 2017. Except for some minor tweaks, we will continue offering these memberships.

We added 138 new members and we lost 86 members; for a net add of 52 members in 2019. Our total membership is 552. See the tables below that summarize our new memberships. Unfortunately, following trends of previous years we continue to lose members mainly due to natural attrition, illness and lack of use. We lose very few members who are disgruntled with the quality of service provided by the club and the staff.

2019 NEW MEMBERSHIPS

	J	F	M	A	M	J	J	A	S	O	N	D	Total
Discounted Resident	0	1	0	1	1	1	0	1	1	1	0	0	7
Discounted Non-Resident	2	2	1	2	4	4	0	2	0	1	1	2	21
Discounted Associate	4	5	5	2	8	4	4	1	1	2	4	5	45
Discounted Young Prof.	0	0	3	2	0	0	0	0	0	0	1	0	6
Dining	2	2	4	2	0	3	5	1	1	0	1	4	25
HOA Swim/Fitness	0	1	1	0	1	1	1	1	1	0	0	0	7
HOA Swim/Fit./Dine	1	2	1	3	2	1	1	1	0	3	0	1	16
Upgrades	2	1	2	0	0	0	1	1	1	1	0	2	11
Amnesty	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	11	14	17	12	16	14	12	8	5	8	7	14	138

We had a downturn in new memberships in the latter part of 2019 and that trend has continued in the first quarter of 2020. As such, we are doing additional marketing and will continue to explore various ways to attract new members. We are seeing a growth spurt in Rockport, which we believe is fueled by

the rapid expansion of industry in the Portland area. We will work to get our market share of this growth. The following is a list of things we will do to attract new members.

- Advertisement in the Bend – advertisement in April issues. Two additional runs have to be rescheduled later in 2020 TBD
- Continue referral program
- Target new homeowners in Rockport
 - Open house
 - Offer member for day program
- Target new business in Gregory Portland area
 - Open house
 - Offer member for day program
- Increase Collaboration with Chambers, Realtors and Other Organizations

Our goal is to add 75 members in 2020, we anticipate losing memberships in 2020 as described above and due to the coronavirus.

By-Laws

There are no proposed changes or additions to the By-Laws.

Swim-Tennis

The renovated fitness center and new equipment is a great success story for our members and is also a big contributor to the number of new memberships. 566 access Fobs have been issued to members and there is an average of 20-30 members using the fitness center daily based on Fob swipes.

We do recognize the need to perform maintenance work on the tennis court surface and to repair the lights. Maintenance of the tennis courts and other maintenance improvements needed elsewhere at RCC are being evaluated along with available funds.

There is no significant news for the swimming pool area and there are no planned or needed improvements. RCC will be self-maintaining the pool and chemicals instead of using an outside service to save money.

Rockport Country Club 2020 Membership Sales Operating Plan

Membership Operations

Total Operating Revenue

2020 Budget	\$1,415,210
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Monthly Dues Revenue Goals

	Budget	Actual	Variance
January	\$114,000	\$112,673	(\$1,327)
February	\$115,000	\$115,059	\$59
March	\$116,080		
April	\$116,280		
May	\$116,800		
June	\$117,750		
July	\$118,080		
August	\$118,580		
September	\$120,500		
October	\$120,580		
November	\$120,600		
December	\$120,800		
Total	\$1,415,210	\$227,732	(\$1,266)

Monthly Dues Revenue Dining

	Budget	Actual	Variance
January	\$4,700	\$4,669	(\$31)
February	\$4,700	\$4,487	(\$213)
March	\$4,700		
April	\$4,700		
May	\$4,700		
June	\$4,700		
July	\$4,700		
August	\$4,700		
September	\$4,700		
October	\$4,700		
November	\$4,700		
December	\$4,700		
Total	\$56,400	\$9156	(\$244)

Monthly Initiation Fees

	Budget	Actual	Variance
January	\$5,700	\$4398	(\$1,546)
February	\$5,700	\$1,342	(\$4,358)
March	\$5,700		
April	\$5,700		
May	\$5,700		
June	\$5,700		
July	\$5,700		
August	\$5,700		
September	\$5,700		
October	\$5,700		
November	\$5,700		
December	\$5,700		
Total	\$68,400	\$5,740	(\$5,904)

2020 Sales Goals

- 8 - Resident Members
- 18 - Non Residents
- 29 - Associate
- 5 - Young Professional
- 3 - HOA Swim/Fitness
- 7 - HOA Swim/Tennis/Fitness
- Total 70 new memberships 2020
- \$68,400 IF annually

Marketing Concepts

- Printed Membership packages
- Website updates
- Facebook updates
- Member referral programs
- Reciprocal / Outside Event data collection
- Past membership reinstatement program
- Selective print advertisement
- New residential communities – Rockport, Portland
- Major companies Portland area – Exxon, etc

Re-tension Programs

- New member mentorship program
- MGA / LGA / RCCLA / Gaming introductions
- New member family dinner invites
- New member family golf invites
- Guest incentive programs

General Manager Report

**2019 General Manager Report
Annual Meeting – March 28, 2020**

Memberships

- Membership sales continued throughout the year. At year end we had 552 total memberships
- Continue to see the decline of members due to the aging process and some re-location after the Harvey

Food and Beverage

- Food and Beverage had a very solid year in topline revenue sales
- From a budgetary standpoint we tracked high in payroll and COGS throughout the year. Much of this is due to the model we built the budget on vs the end product offering
- Net operating profit for the year
- Member satisfaction overall has been very positive in the F&B area

Golf Course Maintenance

- Poor conditions most of the year due to greens conditions during the primary golf season
- RCC made a Superintendent change in the July. Much of his time was spent on greens recovery and general course clean up throughout the winter
- Hoping to see much improved conditions for 2020

G&A

- Addition of Beverly has proved to be a great benefit to the club. Reservation Management, Monthly Newsletter, Member Communications (email blast), clubhouse TV advertising, and much more.
- EZ Pay program was introduced
- App is fully functional
- Website enhancements are in place

What to look forward to in 2020

- Defeating the Coronavirus
- Improved golf course conditions
- Continue to expand and grow F&B
- Continued community recovery from Hurricane Harvey and future growth in the Portland area

Coronavirus Update

RCC like every other business today has been forced to make adjustments to the operating model. In efforts to work with federal, state and local guidelines we have made the following adjustments:

- All clubhouse activities have been cancelled. Clubhouse open for rest rooms only
- Golf, Swim and Tennis Operations: Open as usual
- Fitness Center CLOSED
- Food and Beverage:
Opened a TO GO station for golfers at the double glass doors behind the bar Tuesday – Sunday
11:00 AM – 5:00 PM
Now offering TO GO menu service Tuesday – Saturday 11:00 AM – 5:30 PM
Home deliveries Thursday – Saturday ONLY within the country club
- Times and services are subject to change

Expense Reduction

The following steps have been taken to reduce operating expense

Lay Offs

- Stan Reeder
Karen Hernandez
Paul Gerhard - Golf
Wayne Anderson - Maintenance
Rosemarie Terry - Server
Carrol Bauman - Server
Austin Perez - Server
Christina Alvarez -Kitchen
Zack Tabor - Kitchen
Tanner – Robertson - Kitchen
Dianna Bertel – Housekeeping

Self-Quarantine

- Alex Schaefer – Bartender
Erin Wilson – Server

Failed to Report to work after calling in sick

- Maddison Terry
Andrew Ducate

Hours Reduction

- Jeff Langbehn – 30 hours per week
Maintenance Team – 32 hour work week. Equates to two additional staff lay offs

Additional Expense Savings

- Immediate spending freeze except for critical needs only
60 day grace with DLL Leasing – Cart Lease
60 day grace with John Deer Leasing – maintenance equipment
60 day grace with Prosperity Bank – bank loans
All no penalty and no interest or fees

Reforecast Expense April – June

	April	May	June
G&A / Clubhouse	\$46,551	\$48,623	\$106,802
F&B	\$5360	\$2520	\$4370
Golf Operations	\$2742	\$2842	\$2742
Maintenance	\$19,704	\$23,116	\$72,045
Tennis			
Swim	\$200	\$200	\$200
Fitness			
Payroll - Loaded	\$59,078	\$58,078	\$58,078
Total Operating Expense	\$104,638	\$106,710	\$164,889