

BOARD OF DIRECTORS MEETING MINUTES

Rockport Country Club Members Association

April 28, 2021

A Regular Meeting of the Board of Directors was held on April 28, 2021. Board members in attendance were: Craig Bohn President, Arno Penshorn, Charles Marsh, Barbara Smyth, Jeff Hulse, and Jerry Foust.

Others in attendance were: Rick DeLoach, General Manager, James Creekmore of Johnson & Creekmore

Craig Bohn called the meeting to order at 4:05 PM.

Approval of Prior Meeting Minutes: Craig noted that a regular meeting of the Board was not conducted for the month of March 2021; therefore, approval was not required.

Member Correspondence: Members of the RCC-Ladies Golf Association submitted a letter identifying changes to the Course which they felt was inconsistent with the Bill Coore design. Specifically the letter identifies the removal of the pot bunker on hole #15 to be inconsistent with the original design of the Course, indicates changes made for the sake of maintenance should not be an issue, modification of bunkers including removal should not be made, and a tree within the #16 sand trap should be returned to preserve the course design. Craig noted that changes made to the Course is the responsibility of the Greens Committee and are made for many different reasons. A discussion ensued regarding the course changes and the reason why they are made. Craig pointed out that Bill Coore would not visit the Course because many of his (Bill Coore) recommended changes were not made by the Club. **A motion was made and seconded to require all structural changes to the course be approved by the Board. A vote was taken, and the motion carried.**

October Financial Statements, Operating Results, Past Due Report

- **Financial Statement:** James Creekmore provided a summary review of each item on the Balance Sheet. The following key figures were reported. Total Assets of \$10,484,150, Total Liabilities of \$1,723,926, and Total Equity of \$8,760,224. He also mentioned that the current portion of L/T debt stands at \$154,139. James noted that the Total Cash Accounts was \$639,182. James briefly went over each department's activities and reported the following key income figures: MTD Total Income of \$259,740 vs. a budget of \$238,134; Total Expenses of \$97,100 vs budget of \$209,447; Net Operating Income of \$139,441 vs budget of \$4,150; and Net Income after amortization and depreciation of \$109,318 vs budget of \$(25,973). James advised the Board that accounting for the Employee Retention Credit within the Golf Course Maintenance payroll line item has had the effect of reducing the expenses for the month and skews elements of the Income Statement. Rick asked James if that could be changed in future financial statements which will make year over year comparisons more accurate. James said that it was possible and would work with Rick to see that it was accomplished. James noted that the Employee Retention Credit for 2020 and 2021 was within

the Accounts Receivable section of the Balance Sheet in the amount of \$263,192. James also reported that \$51,344 was to be refunded to the Club for overpayment of sales tax. Currently, there is no definitive date for the receipt of either the Employee Retention Credit or the sales tax refund. Jerry asked if the Club had enough cash to maintain operations and meet cashflow requirements. James pointed out that the Club's current cash balance was \$639,182. Craig advised that the Club's cash balance objective has recently been increased from \$250,000 to \$350,000. Craig stated that this amount should be adequate to meet the Club's cashflow requirements.

- **Operating Results:** Rick summarized the Financial Review Report which provides the highlights for each segment of the Club's business activities, including an over/under analysis of actual performance vs budget for all Club departments. Rick noted that for the month of March 2021 the Club operated close to budget. Rick stated that golf rounds continue to remain high with food and beverage operating near budgeted goals.
- **Past Due Report:** Rick reviewed the Past Due Report with the Board members. The report remains relatively clean. Jessica Gall's account has been suspended along with Daniel Rodriguez's due to nonpayment. The Navy Army Credit Union account is also delinquent. Rick will attempt to contact someone at the Navy Army Credit Union to bring the account up to date.
- **Committee Reports:**
 - **Finance Committee (Charles Marsh)** – Charles reported that the Finance Committee met on April 20, 2021. Much of the Finance Committee meeting covered the financial information above. Rick also informed the Committee that the work on cart path #10 was completed at a cost of \$11,556 which was above the budgeted amount and was due to increase work needed to complete the project. Rick reported to the Committee that the pool furniture had been purchased in the amount of \$2,445.
 - **Golf Committee (Rick DeLoach)** – Rick provided the report in Red's absents. Rick reported that the Golf Committee met on April 16, 2021. The Committee reviewed the schedule for the tournaments that are scheduled for the next several months. The Committee discussed the two riders to a cart policy which will go into effect May 1st.
 - **Greens Committee (Rick DeLoach)**- Rick provided the reported in Bruce's absents. Rick reported that the Greens Committee met on April 1, 2021. Rick reported that the sod had been replaced on #1 fairway and play was now being allowed on the new sod; however, carts were still discouraged to allow time for the roots of the sod to gain strength. The sod project on #10 has been top dressed but will still need to be rolled. A few of the greens will require the replacement of the contaminated soil with suitable soil and at the same time providing for better green drainage. A discussion was also held regarding a pit bulldog barking and entering Club property near hole #11. Rick will check on this issue.

- House Committee (Jerry Foust/Barbara Smyth) – Jerry and Barbara reported that the House Committee had met on April 13, 2021. They stated that much of the meeting was an introductory meeting for members to meet.
- Membership/Swim-Tennis-Fitness (Arno Peshorn) –Arno reported a Membership, By-Laws, Fitness, and Swim Committee met on April 14, 2021. Arno reported that the Club had 541 members at the end of March 2021. Arno noted that Chris had provided a list of reasons for resignations during 2021 thru April 12, 2021. The reasons given are very similar to those given in past years.

Old Business:

- #1, #9 & #10 #18: Rick reported that work has continued with the sod replacement. See above for status of sod replacement on holes # 1 and #10. Sod has also been replaced on holes #9 and #10, portions of these holes remain roped off to protect the new sod.
- Capital Plan: No capital equipment request presented to the Board for consideration at this time.

New Business:

- Pool Issues: Rick reviewed the problems encountered with cleaning the pool. Rick noted that the principle cause was the configuration of the valves within the pool lines, and the fact that some of the valves were defective. Rick stated that the cost of repairing the pool was unknown at this time and the repair would be accomplished by a pool cleaning contractor as well as in house labor. Rick stated the cost could be as much as \$5,000. **A motion was made and seconded to authorize the repair of the swimming pool. A vote was taken, the motion carried.**
- Flagpole: Rick stated that the Club was unable to fly the United States flag in front of the Club house in the circle. The repair would be accomplished as soon as possible.
- Staffing Levels/Pay Structure: Rick briefed the Board members on the difficulty in recruiting and retaining qualified staff. Rick noted that many of the Club's staff had not had a raise for many years. Craig stated that he had asked Rick to prepare a list of proposed increases. Rick provided the list to the executive committee. After reviewing the proposed increases, the executive committee approved the recommended increases.

- New Member Approval: Rick provided a list of proposed new members for the Board's consideration. **A motion was made and seconded to approve the new members. A vote was taken, the motion carried.**
- Committee Assignments: Rick asked the committee chairs to review the list of committee members for accuracy. No changes were made to committee assignments.

Adjourn: No further business coming before the Board, the meeting was adjourned at 5:50 PM.