

BOARD OF DIRECTORS MEETING MINUTES

Rockport Country Club Members Association

May 29, 2019

Board of Directors members in attendance were: Craig Bohn, President, Vicki Buck, Chet Cloudt, Glenn Kliebert, Elyce Kahn, Red Hunt, Herb Sutter and John Hitchcock.

Charles Giesey was absent.

Others in attendance were: Rick DeLoach, General Manager, John Zuniga, Golf Course Superintendent and James Creekmore of Johnson & Creekmore, CPA's.

The meeting was called to order by Craig Bohn at 4:00 PM

Approval of prior Minutes: A motion was made and seconded to approve the minutes of the last Regular Meeting of the Board held on April 24, 2019. **A vote was taken and the motion carried.**

Member Correspondence Rick DeLoach: None

April 2019 Financial Reports, Operating Results, Cash Flow Projection and Past Due Report (James Creekmore and Rick DeLoach):

- April 2019 Financials - James reviewed and summarized the April 30, 2019 Financial Statements, both Balance Sheet and Income Statement (reports referenced). There were no questions regarding the financial statements.
- Dues by Membership Category – Rick briefly went over the membership reports for the months ending 4-30-19 and 3-31-19. He then commented that the reduction in Regular Resident Members month over month from 156 to 149 was somewhat deceiving in that there had been some downgrades in membership types and that we hadn't really had that many net losses of Regular Members. Total net memberships of all categories for the period increased from 521 to 531, resulting in a net dollar increase in dues from \$153,416 to \$153,798. He also commented that we have sold approximately 15 more new memberships so far during the month May.
- Cash Flow Projection - Rick went over the report, which shows actual figures through April and budgeted figures for the remaining months of the year. He concluded by stating that the current cash flow projection for December 31, 2019 is now \$677,792 (up from \$603,410 projected in March), of which approximately \$164,664 is projected to be added from this year's operations.
- Capital Expenditures - Rick then went over the list of capital items which have been completed and those yet to be completed. The total amount for items yet to be completed is \$239,112.81, which exceeds our current borrowing limit of \$221,405.10. Chet mentioned that the list of items to be completed does not include the Air2 machine, which is currently under a lease purchase arrangement and will cost approximately \$38K if we exercise our option to purchase, as expected. Rick responded that the Club will probably have to pay for that item out of its cash reserves, unless we can come up with a suitable long-term lease arrangement.

- Past Due Report – Report was issued but there was no discussion

Committee Reports:

- Finance (Vicky Buck) – Vicky reported that the Finance Committee had met on May 21st (report referenced) and that the Committee had voted to recommend approval to purchase the Fitness AC at an estimated cost of \$6,500.
- Golf Committee (Red Hunt) – Red reported that the Golf Committee had met on May 8 (report referenced). He said rounds of golf in April were 1,914, on pace for a target of 20,000 rounds this year. Red also provided a copy of the Rounds History from 2013 forward, as well as rounds of golf in May, by category. He then went over the May golf events with specific mention of the Citco tournament with 165 players. He also said we had to bring in extra golf carts to accommodate the large number of players.
- Green Committee (John Hitchcock) – John reported that the Green Committee had met on May 2nd (report referenced). He stated that the only thing of significance to mention is that we would not be receiving the rough mower until sometime in June.
- House Committee (Elyce Kahn) – Elyce reported that the House Committee had met on May 8th (report referenced). Elyce mentioned that the LGA was in the process of taking up a collection for Karen Hernandez to help with her expenses while undergoing treatment in Houston and invited others to participate.
- Membership/Bylaws and Swim/Tennis/Fitness Committee (Glenn Kliebert) – Glenn reported that the Committee had met on May 16th (report referenced) and that two new club members had attended the meeting and provided valuable feedback to the Committee on their experience as a new member and some of their recommendations. He then commented that HEST Fitness had produced a video of our fitness facility and that it would be used by the Club as a marketing tool to promote the Club, as well as an aid to new members on the use of the equipment. He also reported that the Committee had researched and discussed the idea of offering Pickleball following a request by a member. It was determined for a number of reasons recited in the meeting minutes, that Pickleball would not be offered at this time. A Board member then mentioned that Rockport Fitness was closing down and suggested that we use that as an opportunity to add new Fitness Members. Rick said Stan Reeder would follow up on that suggestion and Glenn added that he would follow up with Stan as well. Rick said that Stan will always make an effort to upsell any new S-T-F memberships to include dining due to the obvious benefit to the Club. Glenn then mentioned that Tiffanie Hoover had become a member of the Committee and had provided several years of old minutes, which would be helpful. He concluded by stating that 12 new members were added in April and there had been 14 new members added so far in May. He also stated that we would continue to pursue the “Member for a Day” program.

Old Business: None discussed

New Business:

- Status of Recovery and Projects to be Completed – Previously discussed in Capital Projects review. Most pressing item is the maintenance facility.
- Carter Hines/Sterling Golf Course Maintenance Report:
 - Rick introduced John Zuniga to provide his comments regarding the report. John opened his remarks by stating that he was committed to the Club and had no plans to leave in the foreseeable future (2-5-year time-frame). He did say that he is developing a long-term plan to exit the golf maintenance industry at some point due to the physical demands that it requires as one gets older.
 - Craig asked for John's take on the Carter Hines/Sterling Golf report. He stated that he had known and worked with Carter for years and that he had a high level of respect for him professionally. He said that he did agree with most, but not all, of Carter's conclusions and recommendations. He then went over each bullet point of the report, as provided by Glenn Kliebert and recited in detail as to whether he agreed or disagreed with each. He also specifically went over the schedule and use of the Air2 aerification equipment stating that it is a great piece of equipment, but provides only one piece of the puzzle. He said we are using the unit regularly and that we are only 4 greens short of making two complete rounds with it. He then commented on the use of the newly acquired moisture meter and responded that he was now using it. When asked why he had not used one in the past he stated that it was because of the \$1,600 cost. One area of the above report that John specifically took issue with was the recommended watering cycle and the use of a penetrant. He said, however, that he does agree with the use of liquid foliar fertilizer and that he is in the process of switching to it almost completely. He stated that the cost of liquid vs. granular fertilizers is comparable. He also stated that he believes that we now have a solid golf course maintenance program in place for the future and that the situation will improve.
 - John addressed the current situation regarding the greens on holes 2 and 5 and said that he did not believe they would recover and should be sprigged ASAP. He said the sprigs need to be ordered now because of a 3-week time delay in getting delivery. John was given the go ahead to order sprigs. He also addressed the problems with grass growth on the number 15 green and that the tree to the right of the green should be removed or trimmed as soon as possible. After discussion, the decision was made to go forward with trimming rather than removal. Red Hunt offered to help line up a reputable contractor he knows to get that done right away.
 - Glenn asked John about the high grass adjacent to some of the water hazards and whether that could be addressed. John said he has let that slip but that he would focus his attention on it and give it a high priority.
 - John brought up the poor condition of the maintenance facility and stated that its condition represents a potential health threat to our employees. Rick stated that Jon Heffron had offered to help out with getting the work completed and that he would follow up with Jon to see what could be done to get the project moved along.

- Banking Signatures - Rick requested that all who had not done so, please go to Prosperity Bank and complete the bank signature card.
- Tee Sheet Management/More Outside Play – After a discussion, Craig suggested that we not pursue that course of action at the present time, that we should stay the course and that our new club would sell itself.
- Karen Hernandez Status – Rick brought the Board up to date on Karen’s medical treatment status and that he expected her to be away from work for as long as six weeks.

Adjourn: No further business coming before the Board, the meeting was adjourned at 5:45 PM.