

ROCKPORT COUNTRY CLUB MEMBERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
January 23, 2019

A regular meeting of the Board of Directors of the Rockport Country Club Members Association was held at the Club's offices located at 101 Champions Dr., Rockport, Texas.

PRESENT: Jon Heffron – President, Elyce Kahn, Ric Young, Charles Giesey, Herb Sutter, and Glenn Kliebert.

Also, in attendance were Rick DeLoach, General Manager and James Creekmore, Johnson and Creekmore.

Tiffanie Hoover, Chet Cloudt and John Hitchcock were absent.

1. CALL TO ORDER: The President convened the meeting at 4:00 PM.

2. APPROVAL OF MINUTES: The minutes of the Special Board of Directors meeting held on November 30, 2018 were approved with no changes.

3. MEMBER CORRESPONDENCE: There was no member correspondence discussed.

4. FINANCE REPORTS: Presented by James Creekmore, Rick DeLoach and Jon Heffron, reports referenced.

James Creekmore explained the December 2018 financial reports including the Balance Sheet, Income Statement and Cash Flow Projection. General comment was made that the operating loss of \$10,000 was not too bad considering December was the first actual month the Club was open. That loss would be offset by depreciation and other mitigating factors going forward.

From a departmental perspective, food and beverage was a "mixed bag" as December was the opening month with unique factors. It was stated that a full first quarter (2019) would need to be completed to get a better feel for the new operations. Various data points noted included – overhead costs were \$10K over the budget. Bar costs were 28% and food costs were 63%. Payroll was over budget by \$4K. Rick DeLoach discussed employee "turnover/fallout" and its impact for more training and thus higher costs. Finally, the week of "soft opening" open houses for the members (500 approximately) was a success from a PR perspective, but the \$15 charge per member did not cover the actual costs.

Member Aging Report was reviewed and some discussion concerning the club's policies for "late" payers followed.

Jon Heffron led the discussion on the Cash Flow Projections that showed a \$564,520 balance for the quarter ending March 31, 2019. Pending Expenditures, which will impact that amount, include a turbine motor for the pump house, the replacement of an aging air conditioning unit in the clubhouse and additional duct work for efficiency purposes. A comment was made that there will probably be more “costly surprises.”

Jon Heffron covered the topic of “contingency dollars” that may be available if needed to offset any surprise costs elements in the future.

5. STATUS OF RECOVERY EFFORTS:

- Rebuilding Status – Jon reviewed the status of the punch list, along with a number of change orders that had to be approved as part of the project, including among other items, a new 5-ton HVAC unit over the kitchen, additional HVAC ductwork, new dining room doors, new electrical closet doors, a sprinkler system valve, operable wall steel work, additional kitchen electrical work and equipment replacement. These items in the aggregate were in excess of \$30,000. He reported that the project contingency was now down to \$27,000. He also reported that the maintenance building rebuild was being delayed by the windstorm/foundation engineer and concrete contractor. Finally, he noted that any further work on the exterior patio and fire pit area (estimated at approximately \$27,000) should be deferred until the completion of all other aspects of the project in order to make sure the club has enough money to complete the entire project. The board agreed.

6. COMMITTEE REPORTS:

- Finance Committee – As Chet Cloudt was not present and there was no Finance Committee meeting in January, it was decided the previous discussion on financials would suffice.
- Golf Committee – Charles Giesey reported on the impact of the rainy weather on the decreased number of rounds of golf and the scheduled golf events in the month of December. All events had to be rescheduled at least once – and some twice. Reciprocal and guest play were recognized as a necessity for the financial success of the club and the group discussed various ideas of increasing play, including the new “electronic tee sheet” for the public. Rick DeLoach discussed the “pros and cons” of the application. The board’s consensus was to proceed forward with the electronic tee sheet in order to increase reciprocal play. The board’s consensus was also that reciprocal and outside play must be increased in order for the club to meet its budgeted revenue targets for this business.
- Green Committee – Herb Sutter was asked to comment on behalf of John Hitchcock for the committee. The first issue addressed was the condition of some of the greens, due to fungus, and secondly, the height of the fairway turf. Also, budget issues were highlighted, including equipment requests. The board’s consensus was that it expected John Zuniga to spend his fertilizer and chemical budgets every year. Finally, it was noted that up until near

the end of last year, it was expected that John Zuniga was going to resign from the Club. No decision was made concerning the payroll impact of having two supervisors. Glenn Kliebert commented on the poor condition of the course and on the need to develop a plan to address the needed repair of the bunkers. His approach included prioritizing the order of the repairs so that they could fit into the budget. After much discussion, the consensus of the board was that the condition of the golf course had to become more of a management priority immediately.

- House Committee – Elyce Kahn reported that overall the operations were improving since the re-opening. The \$10 seating fee for the MJ and Bunko players had been enforced accordingly. Other topics highlighted included the kitchen running out of staples (crackers, etc.), cocktails and other beverage prices, dress code issues, and tipping/gratuities amounts on the member tabs. **A motion was made and carried to turn off the three big TVs in the member dining area on Friday and Saturday nights and during Sunday Brunch.** The bar and lounge area TVs would remain on for those members wanting to watch TV programming.
- Membership Committee – Ric Young stated that a meeting was held only to discuss membership concerns about “seating fees” for MJ and Bunko players. No decisions were made as the fees were being collected. Stan Reeder indicated that a couple of ladies had joined the club as a result of the seating fee.
- Swim-Tennis-Fitness Committee – As Tiffanie Hoover, Chair was absent, no comments were made.

7. OLD BUSINESS:

- 2019 Board of Directors Nominating Committee – Jon Heffron reported that the Nomination Committee had successfully enlisted the following qualified members to run for the upcoming Board of Directors positions: Vicki Buck, Charles Marsh, Bill Maxwell, Jeff Hulse, and Red Hunt.
- Rick reported that the RCC App would hopefully be implemented and introduced to the membership before the end of February and no later than the Annual Meeting.

8. NEW BUSINESS:

RCCE HOA CCR Amendment – Jon discussed the RCCE HOA proposed CCR amendment regarding rentals. After discussion, a motion was made, seconded, and unanimously adopted for the Club to vote in favor of the amendment for all of its properties entitled to a vote on the matter.

City Utility Pole – Jon reported that it appeared that nothing could be done to compel the city to remove or relocate the pole at this point in time.

By Law Amendments – The subject in question is the timing and method of member resignations. Jon and Rick will propose amendment language for the directors to review and approve and to submit to the membership for approval.

Annual Meeting – After discussing the annual meeting of the membership, and reviewing calendars, the board decided to schedule the annual meeting of the membership on Saturday, March 23, 2019.

ADJOURN: No further business coming before the Board, the meeting was adjourned at 6:45 PM.

Executive Session followed.