

BOARD OF DIRECTORS MEETING MINUTES

Rockport Country Club Members Association

January 27, 2021

A Regular Meeting of the Board of Directors was held on January 27, 2021. Board members in attendance were: Craig Bohn, Arno Peshorn, Glenn Kliebert, Charles Marsh, Elyce Kahn, Bruce Hood, Jeff Hulse, Red Hunt and Jerry Foust.

Others in attendance were: Rick DeLoach, General Manager, James Creekmore of Johnson & Creekmore and Blake McDavid of GSM Insurors.

Craig Bohn called the meeting to order at 4:30 PM.

Approval of Prior Meeting Minutes:

A motion was made and seconded to approve the minutes from the last Regular meeting held on November 20, 2020. A vote was taken, and the motion carried.

RCC Insurance Presentation: Blake McDavid of GSM Insurors presented their proposal for the various insurance coverages historically purchased by the Club. Blake pointed out the policies would remain almost unchanged except for the Windstorm and Hail. The current deductible for Windstorm and Hail is 2% provided by AmRisc. AmRisc is the only quote received at this time and requires either a 3% or 5% deductible. A discussion ensued, Board members asked various questions of Blake regarding insurance coverage. Blake noted that the Club's coverage would continue for another 2 weeks and that other quotes were possible; however, Blake was not optimistic that more favorable quotes would be received. The insurance premium for next policy year will increase to \$133,296 which is an approximate \$6,000 increase and provides for a 3% deductible associated with the Windstorm and Hail coverage instead of the 2% provided for under our current policy. **A motion was made and seconded to accept the insurance proposal presented by GMS insurors to include the 3% deductible for Windstorm and Hail. Should a more favorable quote be received, the Club president will arrange for its consideration. A vote was taken, and the motion carried.**

Member Correspondence: Rick reported that the Club had received a request from Mr. Lee Mueller (current member) to transfer his Club membership to his daughter. Rick provided the members with the appropriate guidance provide in the Club's By Law's. After a short discussion the Board agreed that the transfer was appropriate.

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 \$10,324,635 Total Liabilities of \$1,786,423 and Total Equity of \$8,538,212. He also mentioned that the current portion of L/T debt stands at \$165,605. James noted that the Total Cash Accounts was \$683,358. James briefly went over each department's activities and reported the following key income figures: MTD Total Income of \$297,054 vs. a budget of \$279,220 Total Expenses of \$179,398 vs budget of \$179,102 Net Operating Income of \$70,524 vs budget of \$66,968 and Net Income after amortization and depreciation of \$40,402 vs budget of \$36,846. Since this was the final financial data for 2020, James once again acknowledged the effectiveness in which the Club operated this last year. James noted that for 2020 the Club had a Net Income of \$189,917 which was much higher than anticipated given the pandemic. This performance was significantly enhanced by the receipt of the PPP funding. James was particularly impressed with the performance of the Food and Beverage department which was forced to change some of their normal procedures due to the pandemic and was still able to operate at a profit.
- 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 there was not a significant change from previous months. Rick noted while the last year was challenging, the new ways in which the Club operated would be helpful in the future.
- Past Due Report: Rick reviewed the Past Due Report with the members. The list of delinquent accounts increased this month. Rick noted that he did not anticipate a problem with collecting on these past due accounts.

Committee Reports:

- Finance Committee (Charles Marsh) – Charles reported that the Finance Committee had met on January 19, 2021 and covered the same financial information previously covered above. Charles also noted that the Finance Committee had reviewed the proposed 2021 budgetary changes that will explained by Rick later in the agenda.
- Golf Committee (Red Hunt) - Red reported that the Golf Committee had not met during the month of January. He stated that the Club had 21,683 rounds of golf during 2020 which is the most since 2014. He then went on to go over some of the tournaments that are scheduled for the next several months.
- Greens Committee (Bruce Hood)- Bruce reported that the Greens Committee had not met during the month of January. Bruce noted that to improve the fairways on #1, #9 & #10 that new sod would need to be planted soon in order to take advantage of the growing season.

- House Committee (Elyce Kahn) - Elyce reported that the House Committee had met on January 12, 2021. Elyce noted that take-out/pick-up orders continue to do well and that she is very pleased with the Food and Beverage Department this year.
- Membership/Swim-Tennis-Fitness (Arno Peshorn) –Arno reported a Membership, By-Laws, Fitness, and Swim Committee had been held on January 13, 2021. Arno reported that member count was 544 at the end of 2020. The Club gained 96 new members during 2020 and had about that number resign. The Committee received a report from Chris (Membership Sales) which provided the reasons for resignations. Rick indicated that these numbers and reasons for resignation was consistent with previous years.

Old Business:

- Irrigation Pumps completed: Rick reported that the Irrigation pumps used to provide water throughout the golf course had been replaced.
- 2021 Budget: Rick advised that the 2021 Budget would need to be revised to include the Capital Equipment funding and the inclusion of cost for shipping Golf Shop merchandise which was not in the original budget. Rick indicated that the Capital Equipment funding would be a separate line item of the budget and a separate bank account would be set up to deposit those funds to separate these funds from the Club's operating accounts.

New Business:

- EDIL Forgiveness: James reported that the \$10,068 that had been repaid was no longer required to be repaid because of current legislation. The Club will arrange for reimbursement. James noted that it may take some time since that request must flow back through the Small Business Administration.
- Capital Plan: Rick provided copies of the 2021-2024 capital plan to the members. Rick stated that this plan was subject to change based on available funds and needs at the time. Rick noted that all expenditures would be reviewed by the Finance Committee prior to submission to the Board.
- #1 #9 #10: Rick informed the Board that he had identified a source of Paspalum sod that is available to the Club from a sod farm near Wharton. This sod has only been available from Florida in the past. Rick stated that this grass is desirable for use on the Club's golf course due to its ability to tolerate salt. Current plans are for holes #1 #9 and #10 to have Paspalum used in those areas needing sod replacement. The course currently has areas of Paspalum which appear to be in good condition. The cost of this sod for the above holes will be approximately

\$25,000 depending on the exact measurement of the fairways. **A motion was made and seconded to purchase Paspalum sod for holes #1 #9 and #10. A vote was taken, and the motion carried.**

- Nominating Committee: Craig thanked Elyce for chairing the nominating committee. He also acknowledged Bruce Hood, Janice Mixon, Jackie Brannon, and Sterling Frank for serving on the committee. The following members have been nominated to serve on the Board and stand for election: Charles Marsh, Barbara Smyth, Don Dye, Jeanne Arnold, and Mary Lynn Rhodes.
- Annual Meeting: A discussion was held to determine if a closed meeting should be conducted given the current pandemic conditions. **A motion was made and seconded that the Club should conduct a closed annual meeting in accordance with mandated guideline and limit attendance as was done last year. A vote was taken, and the motion carried.**
- New Member Approval: Rick provided a list of new members for the Board's consideration. **A motion was made and seconded to approve all applications for membership. A vote was taken, and the motion carried.**

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