

ROCKPORT COUNTRY CLUB MEMBERS ASSOCIATION  
BOARD OF DIRECTORS MEETING MINUTES  
November 15, 2018

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

**PRESENT:** Jon Heffron – President, Elyce Kahn, Tiffanie Hoover, Chet Cloudt, Charles Giesey, Herb Sutter, and Glenn Kliebert.

Also, in attendance were Rick DeLoach, General Manager (via telephone) and James Creekmore, Johnson and Creekmore.

Ric Young 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 October 17, 2018 were approved with no changes.

**3. MEMBER CORRESPONDENCE:** Correspondence was received from Regular Member, Frank Shumate concerning re-platting of the lots adjacent to the tennis courts. The details are discussed in item 7. OLD BUSINESS below.

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

- Financials – James Creekmore. James reviewed the October 2018 Financial Statements. Of special note was that all Harvey Hurricane suspense items have all been cleared from the Balance Sheet. James added that GAPP income for this year as of October 31 is \$144,178. Jon added that the Club sustained a loss of \$31,636 (before depreciation, amortization, and excluding hurricane related items reflected in the GAAP financial statements) for the month of October primarily due to golf course closures for more than half of the month. Jon also mentioned that he was concerned about the possibility of negative results due to weather in November, as well. There were no further questions or comments regarding the financial reports.
- Past Due Report – Jon Heffron. Jon handed out a copy of the membership Accounts Receivable/Past Due Report and noted that, with the exception of Andy Moore (deceased), the individuals listed on the report all have recurring amounts shown under Current, 30 days and 60 days over-due, indicating that these members have not paid their bills since dues were reinstated in September. Jon speculated that these people

either intend to resign, but haven't yet, or don't understand their obligations regarding reinstatement of dues. Nevertheless, these persons are financially responsible for payment of their dues pursuant to Club Rules & Regulations, until they formally resign their membership. Club personnel will be reaching out to these individuals for a resolution. See report for details.

- Cash Flow Projection – Jon Heffron. Jon provided detailed Cash Flow Projections for December 31, 2018 and March 31, 2019 (after payment of Ad Valorem Taxes and insurance premiums), as of October 31st. The amounts were \$621,701 and \$488,501 respectively, which reflects a decrease in projected cash of approximately \$91,000 since the September 30 report. Jon then went over each line item on the report and provided a brief explanation as to why there was a net increase or decrease for that item. To illustrate the dynamic nature of our cash position, Jon stated that the forecast as of the middle of November already shows a net increase of \$23,000 since the October 31 report was prepared. Special mention was made of the hiring of a new chef, which the Club will keep on a part-time retainer until December 1st. Jon also mentioned the hiring of a maintenance man, who will also start on December 1<sup>st</sup>.

#### **5. STATUS OF RECOVERY EFFORTS:**

- Rebuilding Status – Progress & Schedule, Budget Variances – Jon Heffron. Jon reported significant work activity on the Clubhouse, that the rebuild was progressing at a satisfactory pace and that we are still anticipating a “soft opening” on December 17<sup>th</sup>. First priority will be given to completion of the Clubhouse and then an all-out effort to finish the Fitness Center as soon as possible. Jon also mentioned the importance of opening the Clubhouse before Christmas, as well as the effect the opening will have on the reinstatement of full dues on January 1, 2019.
- Approval of Maintenance Building Rebuild – Jon Heffron. Jon provided a handout describing the proposal for S.W. Steel and A-Plus Construction to demo, provide materials and rebuild the maintenance building for a total cost of \$55,600. A brief description of the facility, including offices and an employee breakroom was given. Jon also noted that the building would fit on the current slab. After discussion and questions, a motion was made and seconded to approve the proposal, as submitted. **A vote was then taken, and the motion carried unanimously.**

#### **6. COMMITTEE REPORTS:**

- Finance Committee - Chet Cloudt, Chair. Chet stated that there had been no meeting by the Finance Committee, but that the October financials and the Cash Flow Summary report had been sent to the Committee members. There was no feedback from the committee members regarding the financials or cash flow report.

- Green Committee – John Hitchcock, Chair. In John Hitchcock’s absence, Jon Heffron referred to the Green Committee meeting minutes and gave a brief synopsis of the committee’s latest activity. Jon noted that the biggest issue for the committee was repair and/or replacement of various pieces of golf course maintenance equipment. See committee minutes for details.
- Golf Committee – Charles Giesey, Chair. Charles reported that the Golf Committee had met on November 15th. He said rounds of golf in September and October were 516 and 940 respectively, down from a normal of about 1,400 per month for this time of year. He then said the golf-events calendar had been prepared for October thru December. Due to weather, the medal play club championship tournament has been rescheduled for December 1-2 and the Showdown at the Rock tournament has been rescheduled for an undetermined date in January. He also mentioned that the ISA tournament had been rescheduled for December 7<sup>th</sup>. See report for details.
- Swim-Tennis-Fitness Committee – Tiffanie Hoover, Chair. No report
- House Committee – Elyce Kahn, Chair. Elyce reported that the House Committee had not formally met in October, but that the name “Coastal Oaks Bar and Grill” had been selected for the member grill area based upon feedback from the members and the Board of Directors. A discussion ensued regarding the fact that there is a church in Rockport named Coastal Oaks and that they may have an objection to the name being used for a bar. Jon suggested that Elyce Kahn contact the pastor of the church, whom she knows personally, to see how he feels about the name and report back to the Board. Elyce agreed to the suggestion. Elyce also mentioned that Gordon Johns, the new Chef, and she had gone over the menu recommendations made by the committee, but that he wanted to come up with his own menus. He will submit his menu and pricing suggestions to the committee for approval sometime this month.
- Membership Committee – Ric Young, Chair. In Ric’s absence, Jon Heffron provided a brief summary of the Membership Committee activities, as well as a report showing the new memberships in 2018. See report for details. Jon said there had been a noticeable slow-down in membership activity recently and that he had discussed it with Stan Reeder. Stan said it was probably due to adverse weather and that he had no major concerns. Jon also noted that we have a net gain in memberships of 27 for the year. Jon mentioned the Rockport Country Club HOA membership offerings by the Club for new Swim-Fitness and Swim-Fitness-Dining memberships, but that it would not launch until after the Club has reopened its facilities sometime in January. He said the HOA board is also working on a plan to change their covenants to provide that all residents in the country club subdivision be required to have some type of membership in Rockport Country Club. This would require a vote of at least 51% of the residents, according to their by-laws. Jon mentioned that there is a Texas State law that may override this and require a 75% vote, which would be substantially more difficult to obtain.

## **7. OLD BUSINESS:**

- Employee Handbook Revisions – Jon Heffron. Jon provided a red-lined copy of the proposed changes to the Employee Handbook prepared by Rick DeLoach and him. He then went over all sections where substantive changes had been made. Several suggestions were made by various board members, which were incorporated into the document. Jon then asked for a motion to adopt the proposed changes, including those suggested by the board members. Accordingly, a motion was made and seconded to so adopt. **A vote was then taken and the motion carried unanimously.**
- Status of Replat of Swim, Tennis Center Land – Jon Heffron. Jon stated that the first hearing before the Zoning and & Planning Committee and City Council had been conducted and the affected residents in the area had been notified about the replat and hearing. There were a number of residents who opposed the re-plat for a variety of reasons. The primary objection raised was that the lots were too small and that the homes built on the lots would be small and would detract from the neighborhood, thus devaluating the homes near-by. The objecting residents also said they would withdraw their objection if the Club would consider a replating of the property into four lots instead of six. A discussion ensued by the board and the consensus was that no changes would be made to the existing re-plat and the Club would go forward with the City approval process and sale, as planned
- Sale of 102 Cedar Ridge – Jon Heffron. Jon reported that a survey of the property had been performed, that it revealed the club did not own any marketable property at the location and therefore has nothing to sell.
- Request to City of Rockport: Texas Hurricane Harvey Mitigation Grant – Jon Heffron. Nothing new to report.

## **8. NEW BUSINESS:**

- Rededication Plaque – Jon Heffron. Jon introduced the idea of having a Rededication Plaque made and provided suggested language to the Board for consideration. He also said the plaque in bronze would cost approximately \$3,350. After discussion, a motion was made and seconded to have the plaque made. **A vote was then taken and the motion carried with one dissenting vote.**
- Annual Employee Christmas Bonus – Jon Heffron. Jon stated that the Employee Relief Fund, which was donated by the Club membership after Hurricane Harvey, still has \$7,558 and suggested that it be distributed to eligible employees as a Christmas Bonus in lieu of asking our members to make a special contribution as we have in the past. Jon mentioned that there are currently 23 employees eligible to receive the bonus and suggested that we distribute \$285 to each. This would leave approximately \$1,000 in

reserve in the fund to purchase new jackets for the employees who work outdoors. An alternative suggestion was then made by a Board member that we reduce the distribution to \$250 per person, which would leave an additional \$805.00 of cash in the relief fund for jackets or other items of need. Jon suggested that all of the Board members sign a Christmas card addressed to each of the eligible employees. Also, the gift will be made in the form of a gift card. Rick DeLoach will write an email to the Club membership informing everyone what we plan to do and mention that those who want to make an additional voluntary contribution to the Christmas Bonus should contact the Club office so it can be added to their next bill.

- 2019 Employee Health Insurance – Rick DeLoach and Jon Heffron. Jon provided a printout prepared by our agent, GSM Insurance, showing a side by side comparison of the various policies offered by Humana for 2019. The two selections most likely to fit our needs were shown under Option 6 and Option 16 with monthly premiums of \$418.65 and \$416.75 respectively, assuming we have 20 employees in the program. At this time, management believes that we will have only about 10 employees who will subscribe, resulting in a slightly higher premiums under the two proposed programs, estimated at \$502.77 and \$500.46. Jon also provided a second printout showing a comparison between the Humana Option 6 at \$502.77 premium and the current policy for 2018 with United health Care at \$581.08 (assuming 10 employees). The comparison also showed the Total Monthly Premium, Club Share and Employee share under policies taken in 2016, 2017, 2018 and the proposed policy for 2019. **After questions and discussion, a motion was made and seconded to subscribe to Humana Option 6 in 2019.**
- 2019 Board of Directors Nominating Committee – Jon Heffron. Jon advised that it was the outgoing President of the Board’s duty to oversee the selection of the Nominating Committee, who will have the task of selecting a slate of candidates for next year’s Board election by the membership. The individuals who have agreed to serve on the Committee are: John Hitchcock, Chair, Bull Durham, Elyce Kahn, Barbara Smyth and Ken Vestal. No objections were raised by the current Board.
- Banquet Business Plan- Rick DeLoach and Jon Heffron. Jon stated that Rick and Karen put the proposed plan together. Jon provided a written copy of the 2019 Banquet Operating Plan then summarized it for the Board. The written plan includes Monthly Revenue Goals, Operating Expenses and Operating Guidelines. See Plan for details. A Strengths, Weakness, Opportunities and Threats (SWOT) Analysis was also included. The House Committee will study the plan, as presented, and make a recommendation to the Board on its acceptance.
- RCC App – Rick DeLoach. Rick explained that the implementation of an App for RCC is moving along with the goal of having it in place by the first of the year. The App will

integrate with the Club's EasyLinks System and should expand our business model and marketing capabilities considerably by aiding in the communication with our members, as well as individuals outside of the Club. The App can be used for a variety of purposes, to include making of tee times and ordering of food and beverages by members and non-members over the telephone with payment by credit card. Rick further commented that the App has already been approved by Apple with the approval by other mediums (specifically Google Play) expected to follow shortly.

Prior to adjournment, Elyce advised the Board that the Ladies Golf Association (LGA) was in favor of posting a sign at the Club regarding "Dress Code" and that the LGA is willing to pay for it. After discussion, Jon suggested that someone write up proposed dress code language and present it to the Board for approval, observing that the Board has very recently revised the dress code and made it more casual and lenient than in the past. Rick and Elyce agreed to get together and come up with proposed language for a sign and present it to the Board.

**ADJOURN:** No further business coming before the Board, the meeting was adjourned at 7:00 PM.

Executive Session followed.