

BOARD OF DIRECTORS MEETING MINUTES

Rockport Country Club Members Association

October 28, 2020

A Regular Meeting of the Board of Directors was held on October 28, 2020. 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 and James Creekmore of Johnson & Creekmore.

Craig Bohn called the meeting to order at 3:55 PM.

Approval of Prior Meeting Minutes:

A motion was made and seconded to approve the minutes from the last Regular meeting held on September 30, 2020. A vote was taken and the motion carried.

Member Correspondence: Rick stated the Club had not received written member correspondence since the last board meeting.

September 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 \$10,346,318 Total Liabilities of \$2,105,496 and Total Equity of \$8,240,823. He also mentioned that the current portion of L/T debt stands at \$168,200. James noted that the Total Cash Accounts was \$680,364. James briefly went over each department's activities and reported the following key income figures: MTD Total Income of \$235,283 vs. a budget of \$238,342 Total Expenses of \$186,008 vs budget of \$197,117 Net Operating Income of \$18,481 vs budget of \$12,785 and Net Income after amortization and depreciation of (\$11,641) vs budget of (\$17,337). James reported that the request had been submitted to Prosperity Bank. Prosperity has forwarded the recommendation to the Small Business Administration with a recommendation to forgive the loan. The Small Business Administration has 90 days to approve/disapprove the application. Rick noted that the EIDL loan of approximately \$10,000 will most likely not be forgiven.
- **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 (see attached). Rick reported that the Club continues to recruit for maintenance staff.

- Past Due Report: Rick reported that that the Past Due Report was almost clean.

Committee Reports:

- Finance Committee (Charles Marsh) – Charles reported that the Finance Committee had met (minutes attached) on October 20, 2020 and essentially covered the same financial information previously covered above. Charles also noted that the Finance Committee had approved equipment purchases which will be discussed later in the meeting. Charles reported that the Finance Committee had received the draft 2021 budget for review.
- Golf Committee (Red Hunt) - Red reported that the Golf Committee had met (minutes attached) on October 8, 2020. He stated that the club had 1656 rounds of golf during September, 406 more than September of 2019. He then went on to go over some of the tournaments that had been rescheduled for the next several months. Red noted that the maintenance tournament date had not been set. Membership will be notified by email when the date is determined. Glenn suggested that emails be sent to members to remind them of upcoming tournaments.
- Greens Committee (Bruce Hood)- Bruce reported that the Greens Committee had met (minutes attached) on October 7, 2020. The golf course maintenance staff continues to operate with 2 staff short. Bruce noted that the tee box areas will be over seeded for winter play. Due to the positive effect of the injection of salt neutralizing chemicals into the irrigation water, the Club will continue the injection process for next year. This will increase golf course maintenance costs and will need to be a part of the 2021 budget.
- House Committee (Elyce Kahn) - Elyce reported that the House Committee had met on October 13, 2020 (minutes attached). Elyce stated that the Committee was looking at ways to promote take out entrees (take and bake). Elyce noted that the Club had received the flags for location near the front entrance. The flags and stands were purchased from funds donated by some of our veterans.
- Membership/Swim-Tennis-Fitness (Arno Penshorn) –Arno reported a Membership, By-Laws, Fitness, and Swim Committee had not been conducted. Arno reported that member count was 531 at the end of September 2020. Arno reported that the Club had added 8 new members during September and had a loss of 3 members.

Old Business:

- PPP Forgiveness Documentation: Discussed above.
- Golf Tournament Fundraiser-Tractor: Rick indicated that a Tournament was being scheduled to include members as well as guests for the purpose of raising funds for the purchase of a new Tractor for use on the course as well as other areas of the Club. The tournament would consist of teams of four at a cost of \$50.00 per player. Donations will

also be accepted. Lunch will be served as a part of the tournaments with prizes given for the best scores. Currently trying to schedule a date for either a Monday or Sunday afternoon.

- Hog damage on course: The Club has not experienced additional damage to the facility due to hogs. A trap has been set, but no hogs have been caught at this time. Staff will continue to monitor for additional damage.
- Maintenance Accountability Meetings: Meetings have been conducted with maintenance staff on ways to improve the golf course. Discussions include things that need to be improved as well as activities that are working well. Staff seem to appreciate this process which keeps them informed of Club activities and objectives.
- Chipping Green/Insurance: The Club received an insurance reimbursement for the damage caused by vandalism of the chipping green at the driving range. The green will be over seeded this fall and can be utilized throughout the winter. Next spring new turf will be placed on the green.
- #1 #6 #9 Fairway Repair: Rick reported that the black layer in the fairways where drainage is a problem is being removed and replaced by soil and sod. The sod that was removed by the sod cutter on hole #9 will be replaced by soil soon.

New Business:

- 2021 Budget: Rick reviewed the draft 2021 budget and the budget assumptions with the Board. Rick explained that the budget was based on actuals from 2019 and 2020 to date. Rick used budgeted amounts for the remaining part of 2020. Rick noted that dues receipts were difficult to budget given the current virus situation. Rick used an 80% conversion rate for our provisional members which is based on what has been experienced in the past. Rick also included, as a part of the 2021 budget, a dues increase of 1.5% which would be the first increase since 2016. Also included in the budget is the reinstatement of the Capital Reserve Program Fee which will be charged to each membership on a quarterly basis. The amount will be based on membership type. Rick pointed out that the Club was currently operating within the budget, but there was inadequate funding for capital needs or large maintenance expenditures.
- Texas Small Business Relief Program: Rick reported, that after hurricane Harvey, the Club had applied for a grant under the Texas Small Business Relief Program. Recently Rick was contacted by representatives of this Program. The Club application was in excess of \$200,000. It is uncertain at this time if the Club will qualify for the funding.

- Irrigation Pumps Approval: Rick reported that the irrigation system for the course needed two pumps to provide water for the golf course. The pumps are critical to maintaining the course. The cost of the pumps is \$44,000 which includes installation. **A motion was made and seconded to purchase the pumps. A vote was taken and the motion carried.**
- Tractor/Utility Carts (2) Approval: The tractor will be used to remove and replace soil throughout the Club. The cost of the tractor is \$52,873 and can be purchased on a 60-month 0 interest basis. The cost of the tractor includes backhoe, front bucket, and pallet forks. The utility carts (2) will be used to transport staff and equipment to work projects. The carts can be leased on a Fair Market Lease of 54-months with the Club having the option to purchase at the completion of the lease period. The 54-month lease will cost \$15,427. **A motion was made and seconded to purchase the Tractor for \$52,873 and to enter into a 54-month lease for 2 utility carts in the amount of \$15,427. A vote was taken and the motion carried.**

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