

ROCKPORT COUNTRY CLUB 2018-2019



ANNUAL MEETING

MARCH 23, 2019

Administrative Matters

- Call to Order
- Quorum Announcement
- Introduction of Board Members/Staff
- Approval of Minutes of 2018 Meeting

Nominating Committee Report

- ❑ Chair: John Hitchcock
- ❑ Committee Members: Arno Penshorn, Bull Durham, Barbara Smyth, Mike Couvillion
- ❑ Nominees: Craig Bohn, Vicki Buck, Red Hunt, Charles Marsh, Bill Maxwell

Treasurer's/Finance Committee Report

Chet Cloudt

- ❑ Analysis and recommendations re: dues reinstatement and amounts
- ❑ Approval and recommendation of 2019 Budget
- ❑ Total Income of approx. \$2.78 MM
- ❑ Total Operating Expense of approx. \$2.5 MM
- ❑ Net Operating Income of \$278 K (before dep. & amort.)
- ❑ Principal debt reduction of \$135 K
- ❑ Capital Fund of \$120 K

*2018 CPA Report & Annual Audit
James Creekmore*

Golf Committee

Charles Gieseey

- Rounds of Golf
- 2018 Total Golf Revenue
- Merchandise Sales
- Operating Expenses
- Golf Cart Update – New Cart Fleet – GPS/Shark Experience
- Member Golf Events
- Outside Golf Events/Rounds
- Player Development
- 9 Hole Evening Golf Events
- Online Tee Time Reservations Coming
- Lady's and Men's Club Champions
- Golf Shop Best Price Guarantee

Green Committee

John Hitchcock

- ❑ Total golf course maintenance expense for 2018 – \$653 K vs \$707 K Budget
- ❑ More than \$500 K spent storm related damage – course, grounds, and equipment
- ❑ Golf course recovery from hurricane and heavy rains of 2018 continues to be a challenge
- ❑ During and after the heavy rains many greens were hit with algae and other diseases due to inability to dry out
- ❑ Purchased Lely spreader with donation from the MGA
- ❑ Enhanced bunker maintenance program and replaced the cultivators on existing bunker machines (Sand Pros)
- ❑ Recent upgrades at City wastewater – enhance ability to continue to receive irrigation water
- ❑ Golf course maintenance building – scheduled for replacement Spring/Summer
- ❑ Working on potential future bunker improvement/maintenance projects

House Committee

Elyce Kahn

- ❑ Layout of space for bar, casual dining, fine dining, and banquets
- ❑ Copper Bar – increased social gatherings and revenue
- ❑ Days and hours of operation flexibility, respond to profitable demand
- ❑ Eliminated 16% service charge and adjusted food and beverage pricing
- ❑ Hired new Executive Chef and worked on menu variety and selections, food portions
- ❑ Successfully changed wait staff compensation to traditional hourly wage/tipping model
- ❑ Added tipping suggestions to bills and 16% tip to unsigned bills, excellent member response
- ❑ Working with chef, kitchen staff and wait staff to meet member expectations
- ❑ Outside events to generate food and beverage income – offers members reasonable pricing and offsets elimination of service charge
- ❑ Create and host events that include members and the community – increase food/beverage income and gain new members
- ❑ Created a fair/workable operating model for the non-member gamers (Mah Jongg, Bridge, Bunco, etc.)
- ❑ Weekly food and beverage specials, Tuesday Night Specials

Membership & Bylaws Committee

Ric Young

Memberships Sold	2018	YTD 2019
Provisional Resident	20	1
Provisional Non-Resident	25	5
Provisional Associate	29	11
Provisional Young Professional	7	2
Corporate (1 equals 3)	3	-
Dining	7	7
HOA	3	5
Upgrades to Resident	2	5
Amnesty to Resident	2	-
Amnesty to Young Professional	1	-
Total	101	36
Swim Membership	3	-
Seasonal/Winter Texan	8	12

Membership & Bylaws Committee

Ric Young

MEMBERSHIP SUMMARY

- Total membership stands at 520 as of today
- 137 memberships sold from start of 2018 through today
- 39 memberships resigned in 2018 and 17 in 2019 YTD
- Net gain of 81 memberships

MARKETING

- Provisional Membership Program for 2019
- New HOA Memberships
- Member 4-a-Day Program
- Mobile App
- **Member Referrals**

Tennis / Swim / Fitness

Tiffanie Hoover

- Tennis fence/gate repairs made post hurricane, additional repairs will include new wind screens
- Parking lot lights will be replaced at the same time as clubhouse parking lot lights
- Tennis courts lights will be evaluated after scope of damage and repair costs are known – no decision at this time
- Swim facility is open and part of the 24/7 access program, key fobs required to enter pool area at all times
- Plan to add LED light strings around pool seating areas
- Pool equipment room doors – installed within the next few weeks
- Members may utilize the new RCC app for summer food orders at the pool – may be picked up at the bar
- Fitness Center is 99% up and running, TVs and sound will be functional this week
- 24/7 access, members must use security access key fob at all times
- Men's and women's locker rooms & showers completely remodeled

General Manager's Report

Rick DeLoach

Where we are today, 574 Days Later and the path taken

- Board of Directors, Clubhouse Committee and Staff
- Decisions made and how we made them: Existing Membership, Future Members, and business requirements
- Contracted National Award Winning team “ClubDesign Associates” out of Fort Worth, TX to re-design the clubhouse and serve as general contractor
- Complete renovation of the Clubhouse and Wellness Center
- All new tables, chairs, locker rooms, restrooms, clubhouse business personal property
- New fleet of golf carts
- New golf shop apparel options
- Range balls inclusive with all golf memberships
- New Fitness Center
- Upgraded member billing and payment options
- Employment of new executive Chef
- Elimination of the 16% service charge
- Modified F&B minimums

General Manager's Report

Rick DeLoach

Focus Areas Moving Forward

- Membership satisfaction: Operations, Food and Beverage and Golf Course Conditions
- Continue push for new members
- Maintain and enhance overall product quality throughout the Club; Golf Course Conditions, Wellness Center, Tennis and Food and Beverage

Critical Issues Ahead

- Inevitable resignations of an aging membership
- “The Harvey Impact” to a community still in recovery: housing and hotel recovery, general business recovery in the community
- Membership participation: Rounds of Golf, F&B usage

What's Coming

- The “RCC App”: Communications, F&B To-Go Orders, Online Tee Time Reservations, GPS Yardage
- New Website enhancements

Hurricane Harvey Recovery & Rebuild and President's Report Jon Heffron

CASH RECEIPTS:		DISBURSEMENTS:	
Insurance Recovery	\$4,537,936	Cash Operating Loss (9/1/2017 - 12/31/2018)	\$1,188,635
Prosperity Bank Note (LOC)	\$906,792	Loss Mitigation Contractor	\$350,000
Copper Salvage	\$38,521	Greenspan Public Adjusters	\$405,453
Member Donations	\$198,646	ClubDesign (Architect, Design, MEP, Engineering)	\$180,590
Land Sale	\$21,696	Golf Course	\$525,366
TOTAL RECEIPTS:	\$5,703,591	Clubhouse Rebuild	\$1,931,388
		Fitness Rebuild	\$295,853
		Maintenance Facility Rebuild	\$74,094
		BPP & FFE Clubhouse & Fitness	\$519,098
		TOTAL DISBURSEMENTS:	\$5,470,477

Accomplishments

- ❑ Communications and transparency
- ❑ Recovered from violent storm, rebuilt state of the art, modern facilities
- ❑ Maintained the Club's financial position, incurring only \$1 million of additional debt to pay for uninsured items and repairs
- ❑ Implemented numerous operational, policy, and procedural changes reducing operating expenses and increasing efficiencies
- ❑ Membership growth
- ❑ Added substantial value to membership without increasing dues since 2017
- ❑ Improved member satisfaction with Club services and amenities
- ❑ Continued to put the Club on the path to long term success

Challenges

- ❑ Continue to gain new members to offset inevitable resignations
- ❑ Continue to improve operations and staff performance
- ❑ Continue to pursue non-member revenue from golf (outside play and events) and F&B sales (outside banquets and events) to support the reasonable dues and pricing structure charged members
- ❑ Continue to “remake” the Club to be responsive to changing recreational and social demographics, demands, and interests
- ❑ Address the deferred maintenance and repairs to the subdivision drainage system, of which the golf course and lakes are an integral part

Acknowledgements

- Member support
- Department Managers and Staff
- Committee Members
- Directors
- General Manager Rick DeLoach
- Retiring Directors

*Election Results
Question and Answer*

Meeting Adjourned