

BOARD OF DIRECTORS MEETING MINUTES

Rockport Country Club Members Association

May 27, 2020

A Regular Meeting of the Board of Directors was held on May 27, 2020. Board members in attendance were: Craig Bohn, Arno Penshorn, Charles Marsh, Elyce Kahn, Bruce Hood, Jeff Hulse, Red Hunt and Jerry Foust.

Glenn Kliebert was absent.

Others in attendance were: Rick DeLoach, General Manager and James Creekmore of Johnson & Creekmore, CPA's.

Craig Bohn called the meeting to order at 4:00 PM.

Approval of Prior Meeting Minutes:

A motion was made and seconded to approve the minutes from the last Regular meeting held on April 29, 2020. A vote was taken and the motion carried.

Member Correspondence: The Club received a letter from a member, Mr. Tommy Thompson, expressing his concern about the wait staff not wearing masks or using gloves at the Mother's Day Brunch. Mr. Thompson also expressed concern regarding the payment of food minimums since he will not return to the Club restaurant until conditions change. See attached letter. Rick stated that the Club was following the CDC and Governor's guidelines to include the wearing of gloves and mask usage. Rick will respond to Mr. Thompson's letter and will suspend his food minimums for 90 days. No other member correspondence received.

April Financial Statements, Operating Results, Past Due Report

- **Financial Statement:** James provided a summary review of each item on the Balance Sheet. The following key figures were reported. Total Assets of \$10,482,083 Total Liabilities of \$2,153,711 and Total Equity of \$8,328,371. He also mentioned that the current portion of L/T debt stands at \$175,933. James noted that while the Total Cash Accounts was \$715,459, the PPP loan represents \$292,200 of that total. James briefly went over each department's activities and reported the following key income figures: MTD Total Income of \$165,839 vs. a budget of \$257,028 Total Expenses of \$145,145 vs budget of \$211,541 Net Operating Income of \$10385 vs budget of (\$8,727), and Net Income after amortization and depreciation of (\$19737 vs budget of (\$21,395). James stated that the Club was doing well budget wise.
- **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 the Club's total revenue had been reduced due to fewer banquets and golf tournaments caused by Covid-19. He reported that Food and Bar "carry out" was working well and that take out food operations are much more efficient than dine in. Rick stated that inventory costs were a little high this month and can be attributable to increase meat purchases made in response to an anticipated shortage of meat. Rick noted that while the inventory costs was a little higher than normal, by purchasing the increased volume, significant savings were realized. The Club had several outstanding payables this month and at Craig's request, Rick will begin including the Accounts Payable in the financial report.

- Membership Reports: Rick referred to various membership reports (attached), which show the change in membership for all member categories from August 31, 2018 to the present, the number of new members added since April 30, 2020, including the upgrades and downgrades and a report that shows all categories of membership with total dues revenue for each for the periods ending March 31, 2020 and April 30, 2020. Total Club membership declined from 546 to 522 in April. Rick indicated that while there were many reasons given by resigning members, the most prevalent reason was lack of use.
- Past Due Report: Rick reported that there are three members of concern on the aging report. All of these have been suspended from charging at the club until their accounts are brought up to date. Rick will continue to work on these accounts to get them current. He also said all individuals listed on the report have been contacted and that he does not see any other troubling issues at this time. Jerry asked if a lawyer letter should be sent. Rick indicated that a lawyer inquiry could be made; however, that cost might be prohibitive.

Committee Reports:

- Finance Committee (Charles Marsh) – Charles reported that the Finance Committee had met (minutes attached) on May 19, 2020 and essentially covered the same financial information previously covered above. He also brought up the cost of transaction fees charged to the Club when payments are made using a Credit Card. Rick stated that he was continuing to look for ways to continue to accept credit cards while at the same time reducing the transaction fees.
- Golf Committee (Red Hunt) - Red reported that the Golf Committee had met (minutes attached) on May 13, 2020. He stated that the club had a little over 1,683 rounds of golf during April, 231 less than April of 2019. He then went on to go over some of the tournaments that had been rescheduled for the next several months. Rick stated that many of the Clubs he has contacted were experiencing a lack of revenue generated by golf tournaments and banquets.
- Greens Committee (Bruce Hood)- Bruce reported that the Greens Committee had met (minutes attached) on May 7, 2020. Bruce reported that a course Fertility Plan had been developed and

was being implemented. Bruce indicated that fairway aerification is planned for July 6-7. Rick stated that the bad spots in the greens were getting special attention with extra chemicals. One of the problems is salt in the irrigation water. Extra chemicals are being added to counter act the salt. Jerry asked why we were not using temporary tee boxes to give the existing tee boxes time to recover. Bruce will review the use of temporary tee boxes. Bruce noted that the LGA had purchased new plants for the club house, new sand trap rakes, and water coolers.

- House Committee (Elyce Kahn) - Elyce reported that the House Committee had met on May 12th (minutes attached). She said the Committee was continuing to review and improved menu items which emphasis on Club's "take out" meals. Elyce reported that most of the kitchen staff had returned and all but 2 or 3 of the wait staff.
- Membership/Swim-Tennis-Fitness (Arno Peshorn) –Arno reported that a Membership Committee meeting had not been held for the month of May; however, committee members have been selected and a meeting scheduled for June.

Old Business:

- Swimming Pool Pump/Filters: Rick noted that the Finance Committee had approved the repair/replacement of the Swimming Pool Pump/Filters several months ago and the Board decided to delay the repair due to funding limits. Rick reported that the pump was making an increasing amount of noise and requested the Boards approval to make the needed repair should the system fail. **A motion was made and seconded to authorize the repair of the Swimming Pool equipment should the system fail.**

New Business:

- New Member Program – Rick has asked Elyce to head up an effort to ensure that our new members receive the information and attention needed for them to be integrated into the Club. Rick noted that activities such as the "Girls Night Out" are excellent ways to create the atmosphere necessary for the Club to be successful.

Adjourn: No further business coming before the Committee, the meeting was adjourned at 5:15 PM.